



Annual Performance Plan for 2024/2025



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
BRICS	Brazil, Russia, India, China and South Africa
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
DPME	Department of Planning, Monitoring and Evaluation
ESD	Enterprise Supplier Development
ERRP	Economic Reconstruction and Recovery Plan
EWS	Early Warning System
4IR	Fourth Industrial Revolution
FoW	Future of Work
ILO	International Labour Organization
IMD	Institute of Management Development
IPAP	Industrial Policy Action Plan
ICT	Information, Communication and Technology
JICA	Japan International Cooperation Agency
JPC	Japan Productivity Centre
LEDET	Limpopo Economic Development, 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 Chief Executive Officer
OHS	Occupational Health and 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

ACCOUNTING AUTHORITY STATEMENT

The 2024/25 Financial Year (FY) is quite a poignant year as it is not only the last year in the 2020/21 to 2024/25 Department of Planning, Monitoring and Evaluation (DPME) Planning Cycle but it also marks 30 years of democracy in South Africa. The purpose of the government's wide planning and reporting cycle is to articulate the planning, budgeting, monitoring, reporting, evaluation and auditing process cycle in the national, provincial and local spheres of government.

As I present this statement as the Accounting Authority and Acting Chairperson of the Productivity SA Board, I feel privileged to be in a position that easily demonstrates the significant strides made by the country. However, it is equally important to acknowledge that we still have a mammoth task ahead. The official unemployment rate in South Africa increased to 32.1% in the three months through December 2023 from 31.9% in the previous quarter as reported by Stats SA.

As we wrap up the 2019-24 Medium Term Strategic Framework (MTSF) priorities outlined in the five-year strategy, this period calls for consolidation of our efforts as Productivity SA to redefine our strategic focus and lay the foundations for the next 2024-29 MTSF of the 7th Administration of Government. The MTSF outlines government's strategic intent in implementing the National Development Plan (NDP) Vision 2030. The MTSF 2019-2024 translates the NDP goals and government's priorities over a five-year period. The apex priorities, are as follows:

- 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 quality basic services
- Priority 5: Spatial integration, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and world

Productivity SA has been primarily focused on Priority 2 which advocates for economic transformation and job creation.

A critical area that warrants attention is the creation of an enabling environment to improve the productivity of Industrial SMMEs both informal and formal, particularly within the manufacturing sector. At present, the productivity of these enterprises remains alarmingly low, depriving them of their potential to serve as a driving force for economic growth.

During the 2023/24 FY we celebrated the 25th anniversary of the Workplace Challenge Programme (WPC) which was a monumental milestone and marked a quarter century of existence of the WPC which is funded by the Department of Trade, Industry and Competition (the dtic). The anniversary encouraged looking back on what had worked well for the WPC programme and what had not, thereafter incorporating those experiences and lessons learned into future plans.

In 2023 the WPC programme supported 100 enterprises contributing to 3241 jobs. 80% of the WPC businesses which were supported are owned by Black people and in addition, 51% of these are owned by women, with 25% owned by young people. Overall, the WPC achieved all 15 key performance indicators in the business plan for 2023 which is a performance score of 100%, despite the challenges in supporting Special Economic Zone (SEZ) and Industrial Development Zone (IDZ) enterprises and supporting previous WPC clients.

The WPC programme is currently run by Productivity SA's Competitiveness Improvement Services (CIS) unit, which is one of two programmes that contributes towards Enterprise Development and

Support. The CIS unit focusses on creating an enabling environment conducive to entrepreneurship and sustainable enterprises that are capable of creating productive employment and decent work. The WPC continues to stand as a beacon of Productivity SA's commitment to Enterprise Development, Business Transformation and Competitiveness Improvement.

By December 2023, the Business Turnaround and Recovery (BT&R) Programme had enrolled 250 companies saving 20723 jobs and training 2431 Future Forum Members on the business operation and how the company can be sustainable and profitable. In addition to the 20 723 jobs, 1 524 more jobs were created resulting in 22 247 jobs saved overall.

The BT&R Programme works with all the sectors in South Africa and to select a few sectors, from the highest to lowest, the manufacturing sector remains the highest sector for most of the clients serviced at 32%, followed by the clothing, textiles, leather and footwear (CTLF) sector at 13%, construction and engineering at 12%, Food and Beverages at 9%, Metals and Machinery at 7%, Agriculture and Farming at 5% and Pharmaceutical at 3%.

The exceptional performance of our Enterprise Development Programmes is indicative of the effectiveness of the BT&R Programme as an effective employment and labour market instrument with proven track record to ameliorate the of workers against threat of retrenchments in acquiring clients and fulfilling our mandate. The CIS Programme continues to create an enabling environment conducive to entrepreneurship and sustainable enterprises that can create productive employment and decent work.

Despite the challenges experienced in the 2023/24 FY, Productivity SA is prepared to continue to strive to make a meaningful contribution towards contributing to its mandate. The Board is pleased to announce that Productivity SA has finalised its Turnaround Strategy. This initiative stems from the National Treasury recommendation that the management at Productivity SA should work together with the Department of Employment and Labour in addressing any funding challenges, with focused efforts to recover any overdue receivables and identifies revenue generation and cost containment strategies to ensure that the entity remains financially viable. It is expected that the Turnaround Strategy will alleviate Productivity SA's financial challenges.

Looking forward, the 2024/2025 Annual Performance Plan (APP) builds on the Key Performance Indicators (KPIs), confirming the established focus on the following Outcomes: (i) Improving productivity for sustained inclusive economic growth and competitiveness; (ii) Promoting full and productive employment and decent work and (iii) Business Turnaround and Recovery processes that create conditions conducive for job retention and job creation. It is our aim as the Board of Productivity SA to contribute towards the attainment of these goals.

In conclusion, I would like to take this opportunity to thank the Portfolio Committee on Employment and Labour (PCEL), the Minister of Employment and Labour and the Deputy Minister, the Department of Employment and Labour (DEL) for their guidance and vision; the dtic for its support in funding the WPC Programme; the leadership of the Unemployment and Insurance Fund (UIF) for funding the BT&R programme. I would like to also thank Productivity SA staff for always working hard to ensure the entity achieves its mandate.



Signed By: Anneline Chetty
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DR ANNELINE CHETTY
ACTING CHAIRPERSON OF THE BOARD

OFFICIAL SIGN OFF

It is hereby certified that this Annual Performance 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 outcomes and outputs which Productivity SA will endeavor to achieve over the period 2024/2025.

Dr Nandi Dabula: Signature:  27/02/2024
Acting Head of HRM, Programme 1: Administration- Human Resource Management

Dr Nandi Dabula: Signature:  27/02/2024
Executive Manager, Programme 1: Administration - Corporate Relations

Ms Amella Naldoo: Signature:  27/02/2024
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Ms Mokgadi Mahlagane: Signature:  27/02/2024
Manager responsible for Planning: Office of the CEO

Ms. Okuhle Sidumane: Signature: Okuhle Sidumane 27.02.2024
Chief Financial Officer

Ms. A. Naidoo: Signature: [Signature] 27/02/2024
Acting Chief Executive Officer

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Dr A. Chetty: Signature: _____
Acting Chairperson of the Board

Ms. Onke Mjo: Signature: [Signature] 05/03/2024
Acting Director General

Ms. BE Moloi: Signature: [Signature] 06/03/2024
Deputy Minister

Approved by: [Signature] ..
Mr. TW Nxesi, MP Signature: _____
Executive Authority

PART A: OUR MANDATE

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

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

<p>1) The Employment Services Act, No. 4 of 2014</p>	<p>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></p>
<p>2) The Public Finance Management Act (PFMA), Act No.1 of 1999, as amended</p>	<p>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</p>
<p>3) The Preferential Procurement Policy Framework Act, 2000 (Act No.5 of 2000), as amended</p>	<p>In this Act, unless the context indicates otherwise-"acceptable tender" means any tender which, in all respects, complies with the specifications and conditions of the tender as set out in the tender document.</p>
<p>4) The Broad-Based Black Economic Empowerment Act, 2003 and the Codes of Good Practice</p>	<p>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.</p>
<p>5) The Unemployment Insurance Act, 30 of 2001, as amended (UIA)</p>	<p>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</p>
<p>6) Re-imagined Industrial Strategy and District Development Model</p>	<p>(i) An integrated and aligned Eco-System (including Sector Master Plans, SEZs and Industrial Parks) to address sector-specific challenges through value chain and cluster upgrading which is linked to training and skills development along the value chain.</p> <p>(ii) Build the economic and business linkages (Vertical and Horizontal Integration) between the manufacturing sector and other production and services sectors of the economy.</p>

	(III) Targeted Enterprise Development and Support Programmes to improve the productivity of the priority sectors in support of the District Development Model (DDM), targeting the 44 Districts and 8 metros.
7) Contribution to the NDP	<p>Chapter 3: Target programmes that contribute to sustainable and inclusive growth and development</p> <p>Chapter 9: Improving productivity and develop world-class system of innovation</p> <p>Chapter 13: Implement programmes that improves efficiency and effectiveness of government</p>
8) Contribution to the MTSF 2019-2024	<p>Government Priority 1: A capable, Ethical and Developmental State</p> <p>Government Priority 2: Economic Transformation and Job Creation</p>
9) Contribution to the ERRP	<p>Priority 1: Industrialisation and Growing the productive economy: (1.1) Improve efficiencies of local producers; (1.2) Support local manufacturing as well as firms and households in distress; and (1.3) Strengthen SMMEs and Cooperatives on the back of localisation and support for badly affected labour intensive industries.</p> <p>Priority 2: Macro-Economic Interventions and Enablers for Economic Growth. (2.1) End wastage including enhanced productivity, and measurement and evaluation of productivity and overall competitiveness of the economy; (2.2) An Integrated Enterprise Development and Support Ecosystem (Integrate government support) for formal and Informal SMMEs, start-ups and cooperatives; and (2.3) Support measures, including Schemes/TERS to transition enterprises and employees as well as the informal into the formal economy.</p>
10) Contribution to the SDGs, Africa Agenda 2063, ILO Centenary Declaration for the FoW, ILO Decent Work Agenda, ILO Decent Work and Productivity, 2021, and Recommendation 204, etc. SADC Declaration on Productivity	<p>SDG 8: Decent work and economic growth - Promote development-oriented policies and programmes that support productive activities to achieve full and productive employment and decent work. This should incl. measures to achieve higher levels of productivity growth and long-term competitiveness, including through a focus on high value added and labour-intensive sectors.</p> <p>ILO Centenary Declaration for the Future of Work, 2019: Create an enabling environment for entrepreneurship and sustainable enterprises that creates productive employment and decent work.</p> <p>ILO Decent Work Agenda for sustainable economic growth to increase productivity growth, reduce the unemployment rate, and improve access to financial services and benefits</p> <p>SADC Declaration on Productivity -</p>

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

With the change in the business environment of Productivity SA and its mandate expanded 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 in 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 of being future ready and remaining relevant and sustainable. The Entity should have the intellectual and technical capacity to tap relevant sources of knowledge to meet the expectation of the changing nature and future of work.

3. UPDATES TO RELEVANT COURT RULINGS

There are no relevant court rulings.

PART B: OUR STRATEGIC FOCUS

1. UPDATED 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 2024/25 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 and inequality. Having noted South Africa's low productivity growth and global competitiveness (ranked 61 out of 64 countries by the IMD in 2023), 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 of 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 of our interventions will be on implementing policies and strategies including the Re-imagined 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 six years of the remaining NDP 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 the first resort for enterprises (funding by SEFA, IDC and other DFAs), and that funding should be linked to productivity outcomes. 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 come to the end of the MTSF 2019 – 2024 and move 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.

2. EXTERNAL ENVIRONMENT ANALYSIS

The COVID-19 pandemic, and the Russian-Ukraine conflict have had the effect of worsening the triple challenges of unemployment, poverty and inequality facing South Africa. They resulted in widespread job losses and collapse in production. According to the Stats SA Quarterly Labour Force Survey (QLFS), the official unemployment rate is at 31,9 %, a decrease of 0,7 of a percentage point in Q3:2023 compared to Q2:2023. The absorption rate increased by 0,9 of a percentage point from 40,1% in Q2:2023 to 41,0% in Q3:2023, whereas the labour force participation rate increased by 0,6 of a percentage point to 60,2%. The expanded unemployment rate decreased by 0,9 of a percentage point to 41,2% when comparing Q3:2023 and Q2:2023.

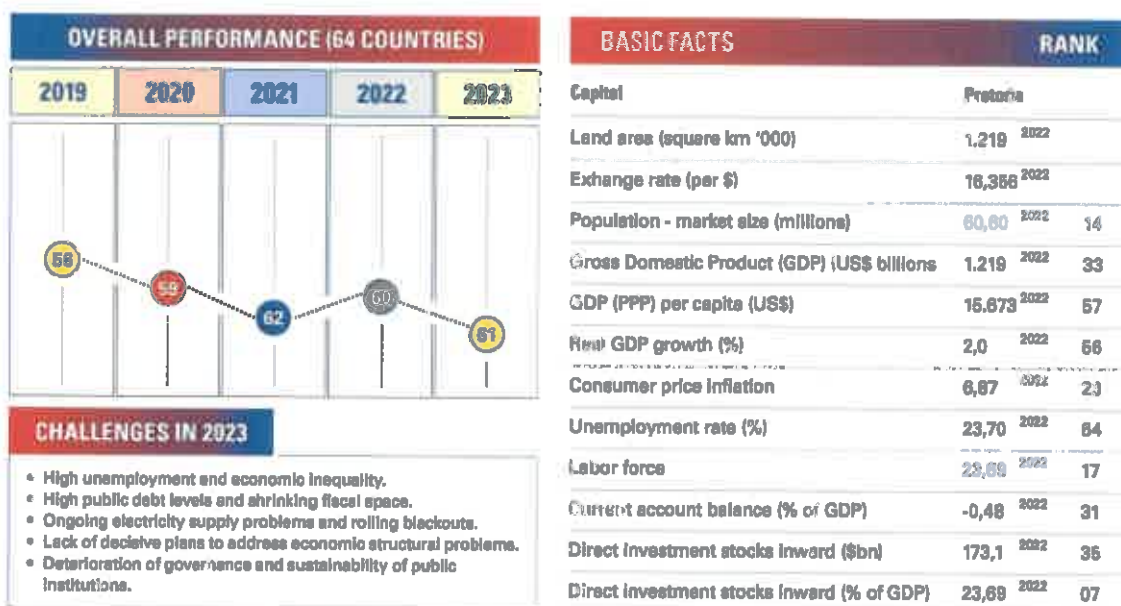
The number of employed persons increased by 399 000 to 16,7M and has surpassed pre-COVID levels of 16,4M, and the number of those who were unemployed decreased by 72 000 in the same quarter. The number of unemployed people in South Africa increased from 4,9 million in Q3:2013 to 7,8 million in Q3:2023. The proportion of those in long-term unemployment increased from 65,5% in Q3:2013 to 75,3% in Q3:2023 resulting in an increase of 780 000 (up by 3,4%) in the number of people in the labour force. The number of discouraged work-seekers decreased by 183 000 (down by 4,9%) and the number of Not Economically Active persons decreased by 186 000 in Q3:2023 compared to Q2:2023. Approximately 3,3 million (32,7%) out of 10,2 million young people aged 15-24 years were not in employment, education or training (NEET). However, the overall NEET rate (15 – 24yrs) decreased by 1,8 percentage points in Q3:2023 compared to Q3:2022.

All the sectors experienced an increase in employment with the formal sector employment increasing by 287 thousand jobs between Q2:2023 and Q3:2023. The largest industry employment gains were recorded in Finance (237 000), Community and social services (119 000), and Agriculture (61 000).

According to the Productivity Stats Report published in November 2023, South Africa's productivity statistics reflect the stabilisation of the economy in 2022 following the recovery in 2021 post the onset of Covid 19 pandemic in 2020. The economic stabilisation was mainly underpinned by the recovery in Capital investment while the global Geopolitical risks remain high, electricity supply problems persist while Fiscal spending pressures undermine the efforts to provide basic goods and services in health, Infrastructure and education as well as a conducive environment for business and citizens.

Multifactor productivity increased from 4.9% in 2021 to 5.8% in 2022 signalling economic stabilisation. Labour productivity decreased slightly from 3.1% in 2021 to 2.1% in 2022. Capital productivity declined significantly from 3.9% in 2021 to -3.5% in 2022.

The Institute for Management Development (IMD) World Competitiveness Yearbook (WCY) 2023, ranked South Africa 61st out of 64th countries. It dropped from 60th position in 2022 as illustrated on the diagram below.



According to SEDA Q3 2022 SMME Update published in March 2023, the total number of SMMEs rose by a significant 148 000 (+5.0% y-o-y). This brought the level of SMMEs back to its pre-COVID level. Meanwhile, the total level of employment in the economy remains below its pre-COVID level. Relative to 2021 Q3, the number of SMME owners rose by 11.6% to 2.68 million. On an annual basis, the 17% increase in formal SMMEs is encouraging –albeit that the majority of SMMEs still operate in the informal space. Employment provided by SMMEs rose by 1.1% q-o-q (10.2% y-o-y) as many (new and existing) SMMEs do not provide employment opportunities for additional workers.

One other disturbing factor is that twenty-nine 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

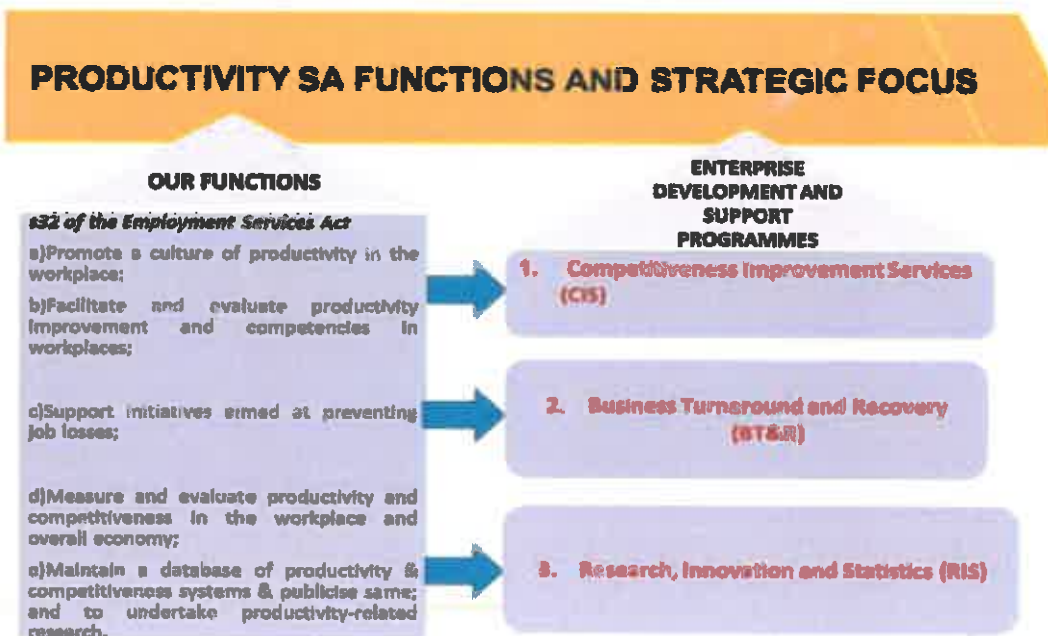
enterprises shall never be competitive and sustainable without a deliberate intervention through Enterprise Development and Support Programmes.

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

During the MTSF 2019 – 2024 we had accelerated 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 Development and 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).

3. 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 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).

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 at 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, Northwest and Limpopo; Regions 3 - Durban servicing Kwa-Zulu Natal, the Eastern Cape and Mpumalanga; and Region 2 - 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 of Employment and Labour 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 make 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 Development and 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 an 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.

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)

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Productivity SA aligns itself with the mandate of the Department of Employment and Labour, focusing on: Improved economic efficiency and productivity, Creation of decent employment, and Promoting social dialogue and workplace democratisation.

1.1 The Strategic Objectives of Productivity SA

To deliver on its mandate Productivity SA developed its strategic objectives in line with the Employment Services Act, No. 4 of 2014 and developed the following programmes and strategic objectives:

MTSF PRIORITY	STRATEGIC OBJECTIVES	PROGRAMMES
Priority 1: A Capable, Ethical and Developmental State	Strategic objective 1 - Strengthen the institutional capacity of Productivity SA to deliver on its mandate and be financially sustainable	Programme 1: Administration / Corporate Services
Priority 2: Economic Transformation and Job Creation	Strategic objective 2 – Enterprise Competitiveness and Sustainability: To improve productivity for sustained inclusive economic growth and competitiveness.	Programme 2: Competitiveness Improvement Services
	Strategic objective 3 – Jobs preservation: To support enterprises facing economic distress and initiatives aimed at preventing job losses	Programme 3: Business Turnaround and Recovery
	Strategic objective 4 – Evidence-based planning, monitoring and evaluation: Generation and dissemination of productivity related research and statistics	Programme 4: Research, Innovation and Statistics
	Strategic objective 5 – Productivity Culture and Accountability: To promote a culture of productivity and competitiveness in the workplace and community life	Programme 1 & 2

1.2 The Programmes of Productivity SA

- Programme 1: Administration/Corporate Services:** (Office of CEO, Office of CFO, Human Resources Management, Corporate Relations)

Purpose of the programme – Strengthen the institutional capacity of Productivity SA to deliver on its mandate and be financially sustainable.

Sub-Programme and purpose: The programme consists of the following sub-programmes:

 - Office of the CEO* provides strategic leadership to ensure that the mandate is achieved.
 - Office of the CFO* renders effective and efficient financial management, IT, and facilities administrative support for the Entity.
 - Human Resource Management:* Render effective and efficient human resources management related services to the entity.
 - Corporate Relations:* drive the productivity movement by promoting a culture of productivity in the workplace and in society in general.
- Programme 2: Competitiveness Improvement Services**

Purpose of the Programme – The programme focusses on creating an enabling environment conducive to entrepreneurship and sustainable enterprises that are capable of creating productive employment and decent work. Furthermore, CIS supports South Africa's strategic

objectives in scaling up efforts to promote long term industrialisation and transformation of the economy and to achieve a productive high-income economy which is globally competitive.

- **Programme 3: Business Turnaround and Recovery**

Purpose of the Programme: The programme focusses on supporting initiatives aimed at preventing job losses as well as providing for turn-around strategies to companies facing economic distress (financial or operational difficulties) which may result in an employer contemplating the dismissal of employees based on its operational requirements. The outcome of these interventions is to lessen the social and economic impact on individuals, companies, regions and the national economy.

- **Programme 4: Research, Innovation and Statistics**

Purpose of the Programme: The programme aims to measure and evaluate productivity in the workplace and overall competitiveness of the economy; develop and maintain databases and best practice productivity and competitiveness system, and Business Model Innovation including Products and Services Innovation to improve quality and access to services; and undertake Productivity related Research and Statistics and publicise same.

2. OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS AND TARGETS

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF PERIOD		
			2020/21	2021/22	2022/23		2023/24	2024/25	2025/26
Strengthening the institutional capacity of Productivity SA to deliver on its mandate and be financially sustainable	Monitor compliance to 30-day payment requirement	1) Monitoring report with corrective measures where applicable, done on a monthly basis	100%	100%	100%	30-day report with corrective measures implemented where applicable on a monthly basis	30-day report with corrective measures implemented where applicable on a monthly basis	30-day report with corrective measures implemented where applicable on a monthly basis	30-day report with corrective measures implemented where applicable on a monthly basis
			New Indicator	100%	100%	10% elimination of fruitless and wasteful expenditure from baseline R518,000.00 by 31 March	Reduction in Fruitless and Wasteful Expenditure by 31 March	Reduction in Fruitless and Wasteful Expenditure by 31 March	Reduction in Fruitless and Wasteful Expenditure by 31 March
	Measures taken to reduce and eliminate Fruitless and Wasteful expenditure, Audit outcomes/findings detected and reported to the Accounting Officer and National Treasury in terms of National Treasury's guidelines	2) Reduction in Fruitless and Wasteful Expenditure by 31 March	New Indicator	100%	100%	50% reduction of audit outcomes /findings incrementally from 2021/22 baseline by 31 March	Reduction in Audit outcomes / findings by 31 March	Reduction in Audit outcomes / findings by 31 March	Reduction in Audit outcomes / findings by 31 March
			100%	100%	100% of planned training interventions commenced by 31 March	100% of planned training interventions commenced by 31 March	100% of planned training interventions commenced by 31 March	100% of planned training interventions commenced by 31 March	

OUTCOME	OUTPUT	OUTPUT INDICATORS	ANNUAL TARGETS							
			AUDITED PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD				
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<p>Enterprise Competitiveness and Sustainability: To improve productivity for sustained inclusive economic growth and competitiveness.</p> <p>Promote full and productive employment and decent work.</p>	<p>SMME and other enterprises supported through Productivity interventions to improve their competitiveness and sustainability</p> <p>Promote the productivity and competitiveness mind-set and culture in the workplace</p>	<p>5) Number of SMMEs and other enterprises supported through Competitiveness Improvement Services by 31 March</p>	3686	1546	1522	1252	1252	1252	1252	
			927	2849	2314	2400	2400	2600	2600	
			429	621	528	323	323	323	323	
			10	10	10	10	10	10	10	
		<p>6) Number of entrepreneurs, workers and managers capacitated to promote the culture of productivity by 31 March</p> <p>7) Number of Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa by 31 March</p> <p>8) Number of advocacy and public awareness campaigns to support the productivity movement in South Africa by 31 March</p>								

OUTCOME	OUTPUTS	OUTPUT INDICATORS	ANNUAL TARGETS						
			AUDITED PERFORMANCE			ESTIMATED PERFORMANCE		MTEF PERIOD	
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Business Turnaround and Recovery processes that create conditions conducive for job retention and job creation	Support enterprises facing economic and distress Initiatives aimed at preventing job losses	9) Number of jobs saved in companies facing economic distress by 31 March	3030	9550	4983	3550	3850	4042	4244
		10) Number of companies facing economic distress supported through the Turn-around Strategies to retain jobs by 31 March	25	191	78	71	77	81	85
		11) Number of Future Forum members trained and capacitated on productivity improvement solutions by 31 March	96	777	792	213	231	242	255
Provision of productivity and competitiveness related value-added information	Undertake productivity-related research on priority sectors	12) Number of research reports and publications on priority sectors published and disseminated by 31 March	2	2	2	4	4	4	4
		13) Number of statistical reports on productivity and competitiveness published by 31 March	2	2	2	2	2	2	2

3. OUTPUT INDICATORS, ANNUAL AND QUARTERLY TARGETS

	Output Indicator	Annual Target	Q1	Q2	Q3	Q4
1.	Monitoring report with corrective measures where applicable done on a monthly basis	30-day payment report with corrective measures implemented where applicable done on a monthly basis	30-day payment report with corrective measures implemented where applicable done on a monthly basis	30-day payment report with corrective measures implemented where applicable done on a monthly basis	30-day payment report with corrective measures implemented where applicable done on a monthly basis	30-day payment report with corrective measures implemented where applicable done on a monthly basis
2.	Reduction in Fruitless and Wasteful Expenditure by 31 March	Reduction in Fruitless and Wasteful Expenditure by 31 March	-	-	-	Reduction in Fruitless and Wasteful Expenditure by 31 March
3.	Reduction in Audit outcomes / findings by 31 March	Reduction in Audit outcomes / findings by 31 March	-	-	-	Reduction in Audit outcomes / findings by 31 March
4.	Percentage of planned training interventions commenced by 31 March	100% of planned training interventions commenced by 31 March	-	-	-	100% of planned training interventions commenced by 31 March
5.	Number of SMEs and other enterprises supported through Competitiveness Improvement Services by 31 March	1252	250	500	939	1252
6.	Number of entrepreneurs, workers and managers capacitated to promote the culture of productivity by 31 March	2400	470	990	1900	2400

	Output Indicator	Annual Target	Q1	Q2	Q3	Q4
7.	Number of Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa by 31 March	323	65	130	242	323
8.	Number of advocacy and public awareness campaigns to support the productivity movement in South Africa by 31 March	10	2	5	9	10
9.	Number of jobs saved in companies facing economic distress by 31 March	3850	450	1700	3150	3850
10.	Number of companies facing economic distress supported through the Turn-around Strategies to retain jobs by 31 March	77	9	34	63	77
11.	Number of Future Forum members trained and capacitated on productivity improvement solutions by 31 March	231	27	102	189	231
12.	Number of research reports and publications on priority sectors published and disseminated by 31 March	4	-	-	-	4
13.	Number of statistical reports on productivity and competitiveness published by 31 March	2	1	-	-	1

4. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

- a) The contribution of its outputs to achieving the intended outcomes and impact in the Strategic Plan and the Institution's mandate including, where applicable, priorities in relation to women, youth and people with disabilities:**

Productivity SA Business Model and Enterprise Support Programmes was re-designed and structured to ensure sustained productivity growth and long-term competitiveness of our economy, focusing on strategic sectors of the economy - higher value add segments of the value chain towards achieving a productive high-income economy. Therefore, our strategic and programme interventions should focus on contributing to the NDP Goals, specifically on chapters 3 - targeting programmes that contribute to sustainable and inclusive growth and development; Chapter 9 - developing world-class centers and programmes in the national system of innovation, training and development; and Chapter 13 - implement programmes that improves efficiency and effectiveness of government.

The SMMEs supported through our Enterprise Support Programmes will be capacitated to adopt world-class productivity enhancement best practices focusing on products, processes and people. SMMEs are targeted because they have tremendous potential to make an impact on the SDGs through the employment they generate, the business practices they choose to adopt, the sectors in which they operate and their impact on innovation and diversification in the economy.

- b) A description of planned performance in reaction to the programme outputs:**

Output: To Enhance the Competitiveness and Sustainability of Enterprises

The **Competitiveness Improvement Services (CIS) Programme** gives effect to s32 read together with s2 (1) (g) of the Act, to: (a) promote a culture of productivity in the workplace; (b) develop relevant productivity competencies; (c) facilitate and evaluate productivity and competitiveness in the workplace, at sector level and national level; and (d) to measure and evaluate productivity in the workplace.

The CIS Programme focus on enterprise competitiveness and sustainability, including enhancing the appropriate capacities of SMMEs and Co-operatives to adopt world-class productivity enhancement best practices, focusing on products, processes and people. The programme focusses on contributing to the creation of decent work by improving the competitiveness and sustainability of enterprises. 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 SMMEs and Co-operatives, particularly in the productive sectors with strong growth and employment multipliers within the priority sectors are targeted. Enterprises supported through the programme are capacitated to adopt world-class productivity enhancement best practices focusing on products, processes and people. CIS prioritises the participation of historically disadvantaged people and regions in the economy and thereby supports meaningful BBBEE using instruments such as Special Economic Zones (SEZs), Industrial Parks and Black Industrialists Interventions.

The main focus is on: (a) creating an environment conducive to sustainable enterprises; (b) encouraging the application of decent and productive workplace practices; (c) addressing sector-specific challenges through value-chain and cluster interventions, which is linked to training and skills development along the value chain; and (d) using technology and conduct business in ways that are environmentally friendly. Further to the above, the programme provides enterprise productivity and operational efficiency enhancement and training programmes and solutions, including Business Performance Improvement (BPI), Early Warning Systems (EWS) and Business Start-ups, and also promote 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.

During 2024/2025 financial year 3852 SMMEs, Cooperatives and entrepreneurs from both the formal and informal sectors should be capacitated to improve productivity and business efficiency; 323 Productivity Champions will be capacitated to build awareness and promote a stronger culture of productivity in South Africa, and 10 advocacy and public awareness campaigns to support the productivity movement in South Africa have been planned to achieve in reaction to the programme output.

Output: Job Preservation

The Business Turnaround and Recovery Programme gives effect to s32 read together with ss 2 (1) (e), and 7 of the Act. The programme focusses on supporting initiatives aimed at preventing job losses as well as providing for turn-around strategies to companies facing economic distress (financial or operational difficulties) which may result in an employer contemplating the dismissal of employees based on its operational requirements. The outcome of these interventions is to lessen the social and economic impact on individuals, companies, regions and the national economy.

The interventions focus on (a) implementing turn-around strategies and plans to restructure and improve the productivity and operational efficiency of the organization; and (b) facilitating the establishment of Enterprise-Based Productivity Forums (Future Forums) to promote dialogue on Productivity Improvement Strategies as well as (c) training of members thereof. During 2024/2025 financial year 3850 jobs to be saved, 77 companies facing economic distress supported through Turn-around Strategies and 231 workplace /Future forums trained and capacitated.

Output: Provision of productivity and competitiveness related value-added information

The Research, Innovation and Statistics Programme gives effect to s32 (d) to measure and evaluate productivity in the workplace and overall competitiveness of the economy; (e) to develop and maintain databases and best practice productivity and competitiveness system, and Business Model Innovation including Products and Services Innovation to improve quality and access to services; and (f) undertake Productivity related Research and Statistics and publicise same.

The programme is responsible for developing and monitoring implementation of the Productivity and Competitiveness Policy and Framework to 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. During 2024/2025 financial year 4 research reports and publications on priority sectors will be published and disseminated and 2 statistical reports on productivity and competitiveness published.

5. PROGRAMME RESOURCE CONSIDERATIONS

Table: Budget Allocation for programmes

	Audited outcome		Audited outcome	Approved budget	Medium-term estimate		
	2020/21	2021/22			2022/23	2024/25	2025/26
Grant thousand	58 464	61 102	73 074	202 324	80 680	84 472	88 358
Administration	8 580	8 943	8 388	8 947	9 077	9 504	9 942
Research, innovation and statistics	7 746	20 778	31 672	52 169	55 435	57 300	59 764
Business turnaround and recovery	9 281	9 935	27 652	33 884	34 957	36 610	38 294
Competitiveness improvement services							
Total ex-ante	84 071	100 758	140 886	167 966	180 159	187 886	196 358

Transfers Received

Financial Performance data	2024/25 Revised budget estimate	2025/26 Revised budget estimate	2026/27 Revised budget estimate
R thousand			
National government grants	127,989	132,921	138,754
DEL Grant	61,472	64,123	67,055
UIF & DTIC grant	66,517	68,798	71,698
Donor Funding	1,150	-	-

Statement of financial performance		Audited outcome			Approved budget	Medium-term estimate		
R thousand		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Revenue								
Tax revenue		-	-	-	-	-	-	-
Non-tax revenue		29 274	8 484	24 245	41 685	51 020	54 965	57 604
Sale of goods and services other than capital assets		28 585	8 041	23 597	41 024	50 359	54 304	56 943
Sales of goods and services produced by entity		28 585	8 041	23 597	41 024	50 359	54 304	56 943
of which:								
Administrative fees		-	-	-	-	-	-	-
Sales by market establishment		28 585	8 041	23 597	41 024	50 359	54 304	56 943
Other sales		-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods		-	-	-	-	-	-	-
Other non-tax revenue		689	453	648	661	661	661	661
Transfers received		79 871	96 015	106 201	125 911	129 139	132 921	138 754
Total revenue		169 145	184 509	190 446	167 596	180 159	187 666	196 358
Expenses								
Current expenses		84 071	100 730	140 866	167 596	180 159	187 666	196 358
Compensation of employees		62 745	74 911	82 695	91 168	99 074	102 683	107 406
Goods and services		19 472	24 731	55 436	73 653	79 490	82 487	86 110
Depreciation		1 653	1 114	2 684	2 684	2 546	2 665	2 789
Interest, dividends and rent on land		1	2	81	83	49	51	53
Transfers and subsidies		-	-	-	-	-	-	-
Total expenses		84 071	100 730	140 866	167 596	180 159	187 666	196 358
Surplus(Deficit)		25 074	3 751	(10 449)	-	-	-	-

6. 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 Managers 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.

PART D: TECHNICAL INDICATOR DESCRIPTION (TID)

Indicator Title	1. Monitoring report with corrective measures where applicable done on a monthly basis
Definition	Small Medium Enterprises must be paid within a period of 30 days from receipt of statement. SMMEs are defined as enterprises whose annual turnover is less than R10m.
Source of data	General Ledger report on all Productivity SA activities
Method of Calculation /Assessment	Compare invoice date to payment date
Means of verification	Analysis of payment of suppliers with an annual turnover of less than R10 million.
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	30-day payment report with corrective measures implemented where applicable on a monthly basis
Indicator Responsibility	CFO and Financial Manager

Indicator Title	2. Reduction in Fruitless and Wasteful Expenditure by 31 March
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	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Reduction in Fruitless and Wasteful Expenditure by 31 March
Indicator Responsibility	CFO and Financial Manager

Indicator Title	3. Reduction in Audit outcomes / findings by 31 March
Definition	The number of reported audit findings as per the signed Productivity SA Management report for the 2023/24 financial year from Lunika External Auditors
Source of data	Final signed Management report from external auditors
Method of Calculation /Assessment	Compare the number of reported audit findings in the 2023/24 report with the current year audit findings in the signed management report from external auditors.
Means of verification	Analysis of reported audit findings
Assumptions	The entity has capacity to reduce reportable audit findings and all capacity constraints have been adhered to and eliminated by the entity.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annually
Desired performance	Reduction in Audit outcomes / findings by 31 March
Indicator Responsibility	CFO and Financial Manager

Indicator Title	4. Percentage of planned training interventions commenced by 31 March
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	Head: HRM

Indicator Title	5. Number of SMMEs and other enterprises supported through Competitiveness Improvement Services by 31 March
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	1252 SMMEs and other enterprises supported through Competitiveness improvement interventions to improve their competitiveness and sustainability
Indicator Responsibility	CIS Executive/Regional Executives

Indicator Title	6. Number of entrepreneurs, workers and managers capacitated to promote the culture of productivity by 31 March
Definition	Number of people trained i.e. Entrepreneurs and Intrapreneurs that includes workers, and managers trained in 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	2400 entrepreneurs, workers and managers capacitated to promote the culture of productivity
Indicator Responsibility	CIS Executive/Regional Executives

Indicator Title	7. Number of Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa by 31 March
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	323 Productivity Champions capacitated to build awareness and promote a stronger culture of productivity in South Africa
Indicator Responsibility	CIS/Regional Executives

Indicator Title	8. Number of advocacy and public awareness campaigns to support the productivity movement by 31 March
Definition	Advocacy and public awareness events that will be held to promote social dialogue, a culture of productivity and competitiveness in the workplace and community as well as supporting and strengthening the productivity movement in South Africa.
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 advocacy and public awareness campaigns to support the productivity movement is simply a numerical record of number of events held to strengthen the productivity movement.
Means of verification	Event Invitations, programmes, Attendance Register
Assumptions	There will be complete research reports and Productivity statistics to launch.

	There will be enterprises that have been entered into Regional Productivity Awards to move to the next phase of National Productivity Awards
Disaggregation of Beneficiaries (where applicable)	N/a
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year to date)
Reporting Cycle	Quarterly
Desired performance	10 advocacy and public awareness campaigns to support the productivity movement hosted

Indicator Title	9. Number of jobs saved in companies facing economic distress by 31 March
Definition	The number of jobs retained within the company.
Source of data	The BT&R Application Form.
Method of Calculation /Assessment	Count the number of employees recorded in the BT&R Application Form in that reporting period.
Means of verification	The number of employees affected will be listed in the BT&R Application Form.
Assumptions	The number of all the employees will be captured in the BT&R Application Form 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	3850 jobs saved
Indicator Responsibility	Business Turnaround and Recovery Executive Manager

Indicator Title	10. Number of companies facing economic distress supported through the Turn-around Strategies to retain jobs by 31 March
Definition	Companies or organizations that are deemed to be in financial and/or operational distress but with the potential to be turned around.
Source of data	The BT&R Application Form.
Method of Calculation /Assessment	Count the number of the BT&R Application Forms in that reporting period.
Means of verification	The BT&R Application Forms for each company approved.
Assumptions	Each company approved in the BT&R Programme will have the BT&R Application Form attached to their profile.
Disaggregation of Beneficiaries (where applicable)	n/a
Spatial Transformation (where applicable)	n/a
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired performance	77 companies facing economic distress supported through the Turn-around Strategies to retain jobs.
Indicator Responsibility	Business Turnaround and Recovery Executive Manager

Indicator Title	11. Number of Future Forum members trained and capacitated on productivity improvement solutions by 31 March
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 in that reporting period.
Means of verification	Training Attendance Registers with participants who signed the register as proof of attendance.

Assumptions	Participants who attend the Future Forum Capacitation and Productivity Champions training 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	231 Future Forum members trained and capacitated on productivity improvement solutions
Indicator Responsibility	Business Turnaround and Recovery Executive Manager

Indicator Title	12. Number of research reports and publications on priority sectors published and disseminated by 31 March
Definition	Four 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	Non-Cumulative
Reporting Cycle	Annual
Desired performance	4 Published Research reports
Indicator Responsibility	Executive Manager: Research, Innovation and Statistics

Indicator Title	13. Number of statistical reports on productivity and competitiveness by 31 March
Definition	Produce 1 annual productivity statistics report and 1 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	Cumulative (Year- End)
Reporting Cycle	Annual
Desired performance	2 Published Statistical reports
Indicator Responsibility	Executive Manager: Research, Innovation and Statistics