

# Annual Performance Plan 2018/2019



**productivity sa**

*Inspiring a Competitive South Africa*



**labour**

Department:  
Labour  
REPUBLIC OF SOUTH AFRICA

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## ACRONYMS

AGSA	Auditor General of South Africa
APP	Annual Performance Plan
ALMP	Active Labour Market Policies
BBBEE	Broad Based Black Economic Empowerment
CCMA	Commission for Conciliation, Mediation and Arbitration
DoL	Department of Labour
the dti	Department of Trade and Industry
ETD	Education Training and Development
GDP	Gross Domestic Product
ILO	International Labour Organisation
IMD	Institute of Management Development
IPAP	Industrial Policy Action Plan
JICA	Japan International Cooperation Agency
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NEDLAC	National Economic and Development Labour Advisory Council
PES	Public Employment Services
POS	Productivity Organisational Solutions
SANACO	South African National Cooperatives

SEFA	Small Enterprise Finance Agency
SEZ	Special Economic Zone
SDF	Skills Development Facilitator
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprise
TAS	Turnaround Solutions
The Act	Employment Services Act, No. 4 of 2014
UIF	Unemployment Insurance Fund
WEF	World Economic Forum
WPC	Workplace Challenge

## **FOREWORD BY THE CHAIRMAN OF THE BOARD**

Productivity SA 2018/19 Annual Performance Plan (APP) is based on the Strategic Plan 2014/15 – 2018/19, which was revised and approved by the Honorable Minister of Labour in February 2017, and reflects how the Entity will implement its legislative mandate as outlined in the Employment Services Act, No. 4 of 2014 (the Act).

This APP marks the final year of the MTSF 2014/15 – 2018/19 as well as the last year of the first 5 years since adoption of the National Development Plan - 2030 by the country in 2014. The NDP will guide us as we take on the task of transforming South Africa's socio-economic and industry landscape over the next 13 years. Therefore, this APP afforded us an opportunity to reflect on progress made in the past four years since 2014, identify the gaps and to put in place plans and programmes to accelerate service delivery as we come to the end of the MTSF 2014 – 2019 in March 2019.

As we were reflecting on the past four years, it became clear that despite the progressive policies and programmes which were developed and implemented since the dawn of our democracy and promulgation of the Employment Services Act, No. 4 of 2014, it is a difficult task to transform the South African socio-economic and industry landscape. Over twenty years into democracy, South Africa remains a highly unequal society where too many people live in poverty and too few work. The majority of over 6 million unemployed South Africans are Black and Africans in particular, youth and women.

Further challenges facing the country include, but are not limited to: a sluggish economy with a Gross Domestic Product (GDP) growth forecast to 0.6% from 0.8% (WEF); a low overall competitiveness with a rating at 53 out of 63 countries according to IMD World Competitiveness Year Book (2017) and 61 out of 137 countries according to the WEF Annual Global Competitiveness Index (GCI) report 2017/2018; and the disruptive effects of the Fourth Industrial Revolution, which is characterized by rapid globalisation, disruptive technologies, the growth of the digital economy and the changing worker attitudes and values, which are radically reshaping the world and the future of work. However, despite these challenges, what gives us hope is that the NDP provides us a long-term vision through to 2030 which is given expression in the Industrial Policy Action Plan (IPAP).

In our endeavour to contribute to the NDP, we take cue from global evidence presented through studies across the world, particularly in the most competitive economies which support the view that improving the levels of national productivity is the most efficient way to realise the average GDP growth rate, employment growth and reduce costs of doing business. We have noted the overwhelming global evidence to support the link between a country's investment in research and development (R&D) and its social and economic development and prosperity.

Furthermore, there is empirical evidence which suggests that, it is arithmetically impossible for a country to create and sustain wealth if wages do not grow significantly faster than inflation, and that these cannot happen unless productivity grows at the same rate. Therefore, it is impossible to discuss productivity without considering the contribution of labor as it is a major driver of productivity. It is worth appreciating that, behind productivity growth is the worker, a strong work culture, and the worker working smarter.

In the coming years, the dialogue should also focus on the contribution of the workforce to the productivity and competitiveness of the workplace, and in general of the economy. Therefore, there is a compelling reason for both capital and labor to work hard at this partnership. Then, whatever productivity gains are realized **MUST** be shared.

Armed with the lessons learned in other countries which have and are still experiencing growth despite the global economic challenges, the challenges ahead for South Africa lie in collectively working towards a productivity driven agenda for sustainable and inclusive growth and development, with the objective to improve South Africa's competitiveness, with a focus on economic performance – employment growth and business efficiency measures (IMD).

In this APP, an attempt is made to instill an orientation and culture shift which will require of South Africa to make important adjustments and improvements in the labor market which is characterized by structural mismatches resulting from historical patterns of production in the economy on one hand, and education and skills development on the other.

Further to the above, with high unemployment especially among the youth, it is important that the education and training system (supply side) should be transformed to meet the needs of industry and the economy (the demand side). It is time that productivity education must permeate every part of the education system, from foundation level right to the end, in all its facets.

The policy response must include improving access to and the relevance and quality of job entry training, expanding lifelong learning opportunities and using active labour market policies to combat inequality. It is imperative to improve coordination between prospective employers and education and training providers (public and private employment services), increase the quantity of public training provision and encourage workplace training (use of SETAs) to develop core competencies of employees so as to enhance their level of productivity and business efficiency.

We however remain confident that, South Africa have in Productivity SA a unique State Owned Entity with authority to lead a productivity driven agenda for growth and development which is inclusive and sustainable. Our Enterprise Support Programmes whose core objective is to improve productivity and competitiveness of enterprises within the IPAP priority sectors to promote employment growth and job retention or minimise the retrenchment of workers will have to be streamlined and comprehensive to achieve the NDP Goals. The Programmes should focus on achieving a productive high-income economy which is globally competitive, targeted at the productive sectors of the economy which have a potential for labour absorption.

The culture of embracing productivity requires of the acceptance that, productivity is the effective and efficient use of resources to achieve desired outcomes, and this culture should be instilled in our society if we want to see change.

It is for these reasons that all the role players in the South African economy, both in industry and society in general should be mobilized to join forces and focus on the productivity revolution. For a revolution of this kind and magnitude, we require productivity appreciation, productivity revolutionaries, and productivity ambassadors.

We urge everyone to accept that productivity and competitiveness has to be a priority - we cannot continue to ignore this very critical bedrock for growth. Productivity, as Phelps puts it, is generally defined as output per unit of input and is an essential indicator of using resources efficiently. In the long-term, it also is a signal of underlying economic growth potential. Myers also makes the point that it reflects the efficiency of the labour market which interacts with the changes in production and output. Furthermore, a fall in GDP growth will unavoidably have an incidental impact on productivity growth.

It is on this spirit that I invite all South Africans from all walks of life, in particular the employers and workers of this country to join the Productivity Movement.

I would like to relay my thanks to the Portfolio Committee on Labour and the Ministry of Labour for their oversight role and continued support.

I thank all the departments that provide funding for the entity, namely, the DoL, the dti and the UIF.

(Signature)  
**MM Mdwaba**

## 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 Directors;
- Was prepared in line with the current Strategic Plan of Productivity SA;
- Accurately reflects the performance targets which Productivity SA will endeavour to achieve given the resources made available in the budget for 2018/19.

**[Sibusiso Sabela]**  
Chief Financial Officer

Signature:  16/02/2018

**[Mothunye Mothiba]**  
Chief Executive Officer

Signature:  16/02/2018

 16/02/2018

**[Mthunzi Mdwaba]**  
Chairman of the Board

Signature: \_\_\_\_\_

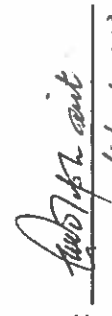
**[Thobile Lamati]**  
Director-General: Labour

Signature:  16/02/2018

**[Phathekile Holomisa]**  
Deputy Minister: Labour

Signature:  16/02/2018

Approved by:  
**MN Oliphant, MP**  
Executive Authority

Signature:  16/02/2018



## **PART A: STRATEGIC OVERVIEW**

### **1. Updated Situational Analysis**

The National Development Plan, Vision 2030 (NDP) articulates that, for South Africa to stay competitive and to move up the value chain, three interventions are necessary: (i) labour-market reforms aimed at promoting employment, particularly of young people; (ii) action to promote productivity gains and new entry by firms; and (iii) research and development for innovation. Coupled with this, Government has, through the promulgation of the Employment Services Act, No. 4 of 2014 (the Act) changed the legal form and expanded the mandate of Productivity SA to include promoting employment, growth and workplace productivity. This mandate is aligned and fits well within the mandate of the Department of Labour (DoL), which is to regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at, amongst others, "Improved economic efficiency and productivity."

Furthermore, the mandate and programmes of Productivity SA are acknowledged by the Portfolio Committee on Labour, which is required by Section 5 of the Money Bills Amendment Procedure and Related Matters Act, No. 9 of 2009 to annually assess the performance of the Entity and to hold it accountable for delivery and attainment of its strategic goals and contribute to service delivery as well as financial accountability. To this end, the Committee has recommended in its Budgetary Review and Recommendation Report (BRRR), dated 27 October 2016 that, the Minister of Labour should ensure that Productivity SA is appropriately capitalised to be able to extend its services to areas where they are currently not operating and to ensure the entity is rendered more visible.

As a result, Productivity SA has, after consultation with the DoL and relevant strategic partners reviewed its Strategic Plan 2014/15 – 2018/19 and the Business Model in 2017 to ensure alignment of its strategic objectives and Enterprise Support Programmes with the NDP, IPAP, the MTSF and the mandate of the Department to demonstrate relevance. Part of this process includes repositioning the Entity to lead a productivity driven growth and development agenda for South Africa and to be sustainable

It is without doubt that, the Strategic Plan 2014/15 – 2018/19 (amended) and the related Annual Performance Plans are being implemented in an environment where South Africa is still facing major challenges of poverty, unemployment and inequality including economic exclusion. The GDP growth forecast is at only 1.0% in 2017 and 1.2% for 2018, the unemployment rate is at its highest at 27% (Q1: 2017) with over 6.2 million people unemployed, most of whom are Black and Africans in particular, youth and women. Over 30.4 million South Africans are living in poverty, with most of the households dependent on the social grants.

Not only are we as a country faced with the inclusive and sustainable growth and development challenges, but the country's overall competitiveness is low, with the competitiveness rating at 53 out of 63 countries according to IMD World Competitiveness Year Book (2017). According to the WEF Annual Global Competitiveness Index (GCI) report 2017/2018, South Africa has dropped 14 places and now sit at 61 out

of 137 countries and that we have declined steeply in economic productivity, with the economy nearly at a standstill and the GDP growth at below 0%.

Further to the above, our economy and its enterprises are feeling the effects of the Fourth Industrial Revolution, which is characterized by rapid globalisation, disruptive technologies, the growth of the digital economy and the changing worker attitudes and values, which are radically reshaping the world and the future of work. The growth of the digital economy is disrupting almost every industry in every country and these together with the drastic changes in the organisation of work are transforming how, when, where and what type of work is done, how people communicate, collaborate and work.

Of great concern is that, most job losses experienced in 2016 and the first half of 2017 were in the productive sectors of the economy, which carry with them significant knock-on effects for the economy in general, thus further adversely affecting our competitiveness, sustainable growth and development. This scenario suggests that South Africa is unlikely to meet its NDP Goals of sustainable and inclusive growth and development to eliminate poverty, reduce unemployment and inequality unless something drastic is done. To mitigate these challenges will require redoubling our effort to achieve a productive high-income economy which is globally competitive, creative and innovative, with a focus on the productive sectors of the economy, which has a potential for labour absorption.

We took note of the evidence presented through studies across the world, particularly in the most competitive economies that improving the levels of national productivity is the most efficient way to realise the average GDP growth rate, employment growth and reduced costs of doing business. Having noted the interventions in other countries which have and are still experiencing growth despite the global economic challenges, the challenges ahead for South Africa lie in collectively working towards a productivity driven agenda for sustainable and inclusive growth and development, with the objective to improve South Africa's economic performance and business efficiency. This requires redoubling our effort to achieve a productive high-income economy which is globally competitive, creative and innovative, with a focus on the productive sectors of the economy, which have a potential for labour absorption.

Upon scrutiny of the NDP, it is imperative that we put in place plans which will make it possible to achieve the NDP Goals by 2030, including the creation of at least 24000 jobs or reduce unemployment to at least 6% and, through productivity growth, the GDP growth consistently at 6% (best case scenario) or 3.9% (worst case scenario) yearly in the next 12 years, and the earnings of working people.

We acknowledge that Productivity SA has a major role to play in improving the productive capacity and competitiveness of the South African economy through interventions that promote economic performance and business efficiency with a focus on improving productivity and efficiency, management practices, attitudes and values, and employment relations.

To respond to the NDP and the MTSF, Productivity SA will focus mainly on the following:

Service Delivery Outcome	Link to the NDP
<p><b>Outcome 4:</b> Decent employment through inclusive economic growth</p> <ul style="list-style-type: none"> <li>• Improve performance of the core productive sectors including manufacturing, agriculture and mining, local procurement and other programmes</li> <li>• Increase growth of the small business sector</li> </ul>	<p><b>Chapter 3 of the NDP:</b></p> <ul style="list-style-type: none"> <li>• Target programmes that contribute to sustainable and inclusive growth and development</li> <li>• Growth with rising employment creation and income growth               <ul style="list-style-type: none"> <li>◦ Jobs to increase from 13m to over 24m</li> <li>◦ Unemployment to be reduced from 25% to 6%</li> <li>◦ GDP Growth at 5.4% (best case scenario) or 3.3% (worst case scenario)</li> </ul> </li> </ul>
<p><b>Outcome 5:</b> A skilled and capable workforce to support an inclusive growth path</p> <ul style="list-style-type: none"> <li>• Improve the linkage between FET institutions, SETAs and employers as the basis for improving responsiveness and quality in training</li> <li>• Research, Development, and Innovation partnerships between government and the private sector strengthened</li> </ul>	<p><b>Chapter 9 of the NDP</b></p> <ul style="list-style-type: none"> <li>• Improve the linkage between SETAs and employers as the basis for improving responsiveness and quality in training</li> <li>• Research, Development, and Innovation partnerships between government and the private sector strengthened</li> </ul>
<p><b>Outcome 12:</b> An efficient and development oriented public service</p>	<p><b>Chapter 13 of the NDP.</b></p> <ul style="list-style-type: none"> <li>• Implement programmes that improve efficiency and effectiveness of government</li> <li>• Stronger performance management and accountability</li> </ul>

Our Enterprise Support Programmes whose core objective is to improve productivity and competitiveness of enterprises within the IPAP priority sectors to promote employment growth and job retention or minimise the retrenchment of workers will have to be streamlined and comprehensive to achieve the NDP Goals. The Programmes should focus on achieving a productive high-income economy which is globally competitive, targeted at the productive sectors of the economy which have a potential for labour absorption.

It is without doubt that Productivity SA's response to the challenges facing the country must be integrated and comprehensive, involving all stakeholders from the public and private sectors to academia and civil society.

## 1.1 Performance Environment

In the 2017/18 Financial Year we refocused our Enterprise Support Programmes towards targeted interventions in the strategic economic sectors of the economy as identified in the IPAP, with a focus on Mining (Platinum Group Metals); Manufacturing (Metal Fabrication) Agriculture (Agro-processing and Agri-business) and in the future the ICT, green and energy sectors. These were done with a view to ensuring that the critical and strategic role of Productivity SA in the economy be understood by the country as a whole and to integrate the culture of productivity and competitiveness in everything we do. Productivity and competitiveness should be the driver of our sustainable and inclusive growth and development as espoused in the NDP. These interventions are beginning to bear fruit as evidenced by an improvement in organisational performance to 68% in the 2016/17 Financial Year compared to an average of 49% in the past two years which was completely unacceptable for a productivity entity, as we must lead by example.

The Workplace Challenge Programme (a world-class or Best Operating Practice Programme aimed at supporting enterprises in the manufacturing sector to improve productivity and become competitive) funded by the dti and the Turnaround Solutions Programme (providing support to enterprises facing economic distress and initiatives or schemes aimed at minimising the retrenchment of employees or preventing job losses, funded by the UIF remain two of Productivity SA's flagship programmes.

The highlights of our achievements in these programmes include, but are not limited to the following:

- 1178 companies (230 in implementation, 573 completed kaizen projects and 375 in After Care) participated in the programme. These companies sustained 49 222 Jobs and this intervention enabled us to open up economic opportunities within the productive sectors of the economy for ordinary South Africans – as citizens, workers, entrepreneurs and as business leaders.
- With the reduced funding received (R24m instead of R97m) from the UIF we were able to support 49 companies against a target of 33; and were able to save 4760 jobs against a target of 1650.
- Through the Turnaround programme we were also able to establish 53 Enterprise-Based Productivity Forums (Future Forums) in the enterprises facing economic distress to promote dialogue on Productivity Improvement Issues and Strategies, 50 employees were trained in Productivity Capacitation and 21 trained as Productivity Champions.
- Through the Productivity Operational Solutions Programme funded through an appropriation by Parliament, we were able to train 5527 SMME's in Productivity capacitation and 1 002 employees as Productivity Champions.

Productivity SA has in its arsenal, Enterprise Support Programmes and Productivity Improvement Tools to improve the competitiveness of the economy and improve business efficiency of firms (promoting them to world class through the workplace challenge programme). Operational efficiencies are also improved through the enterprise and supplier development programme to support SMMEs in developing their productive competencies and enhancing the quality of their products and improving their production capacity.

Productivity SA is also involved in the Competitive Supplier Development Programme which helps government achieve broad based industrialisation as espoused by Industrial Policy Action Plan (IPAP). The programmes entails procuring in such a way as to increase the competitiveness, capacity and capability of the local supply base, where there are comparative advantages and potential competitive advantages of local supply.

The challenges ahead include, but are not limited to:

- (i) enhancing our resources and capabilities including the competencies of our employees to deliver on our mandate and generate revenue to sustain the Entity;
  - (ii) establishing and maintaining a network of strategic partners including the dti and UIF who will enhance our service delivery capability and to address our funding requirements; and
  - (iii) enhancing the capacity of our Regional Offices and network of service delivery points to effectively provide services to the nine (9) provinces country-wide;
  - (iv) continuous review and Innovation of our Business Model, particularly our value proposition and business infrastructure to ensure that we provide cutting-edge research and innovative solutions to enterprises throughout the business lifecycle to be productive and competitive; and
  - (v) putting more emphasis on the generation and dissemination of productivity and competitiveness related information and knowledge.
- More effort will in the future be placed on enhancing our relationship with the UIF to ensure effective support to companies facing economic distress through Turnaround Strategies and schemes to minimise the retrenchment of employees.

## **1.2 Organisational Environment**

Productivity SA, is South Africa's institution with a responsibility to improve productivity and operational efficiency in all economic sectors. However, it has not yet optimally exerted its Authority and means to influence the efficiency and productivity of sectors that are vital to the competitiveness of our economy. The urgency exists, more than ever before, to reposition Productivity SA to become a Centre of Excellence and Authority to Lead the Agenda for a productivity driven growth and development.

The Entity has positioned itself to support the NDP objectives and has in its arsenal, programmes to improve the competitiveness of the economy, improve business efficiency of firms (promoting them to world class through the Workplace Challenge Programme).

To deliver on its **mandate** of promoting employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness, the Entity only has a staff complement of 107. This falls short if we have to deliver services to enterprises and industry clusters in the economy, particularly the productive sectors of our economy and equitably across the nine Provinces.

Furthermore, Productivity SA's activities will have to be expanded to cover productivity improvement in areas beyond industry with the participation of labour and management, academic experts and bureaucrats. These will include measures to improve the quality of Public Employment Services towards implementation of Active Labour Market Programs (ALMPs) and incentives to grow employment, particularly for young people and in sectors employing relatively low-skilled people, as well as measures to support enterprise development and self-employment programmes.

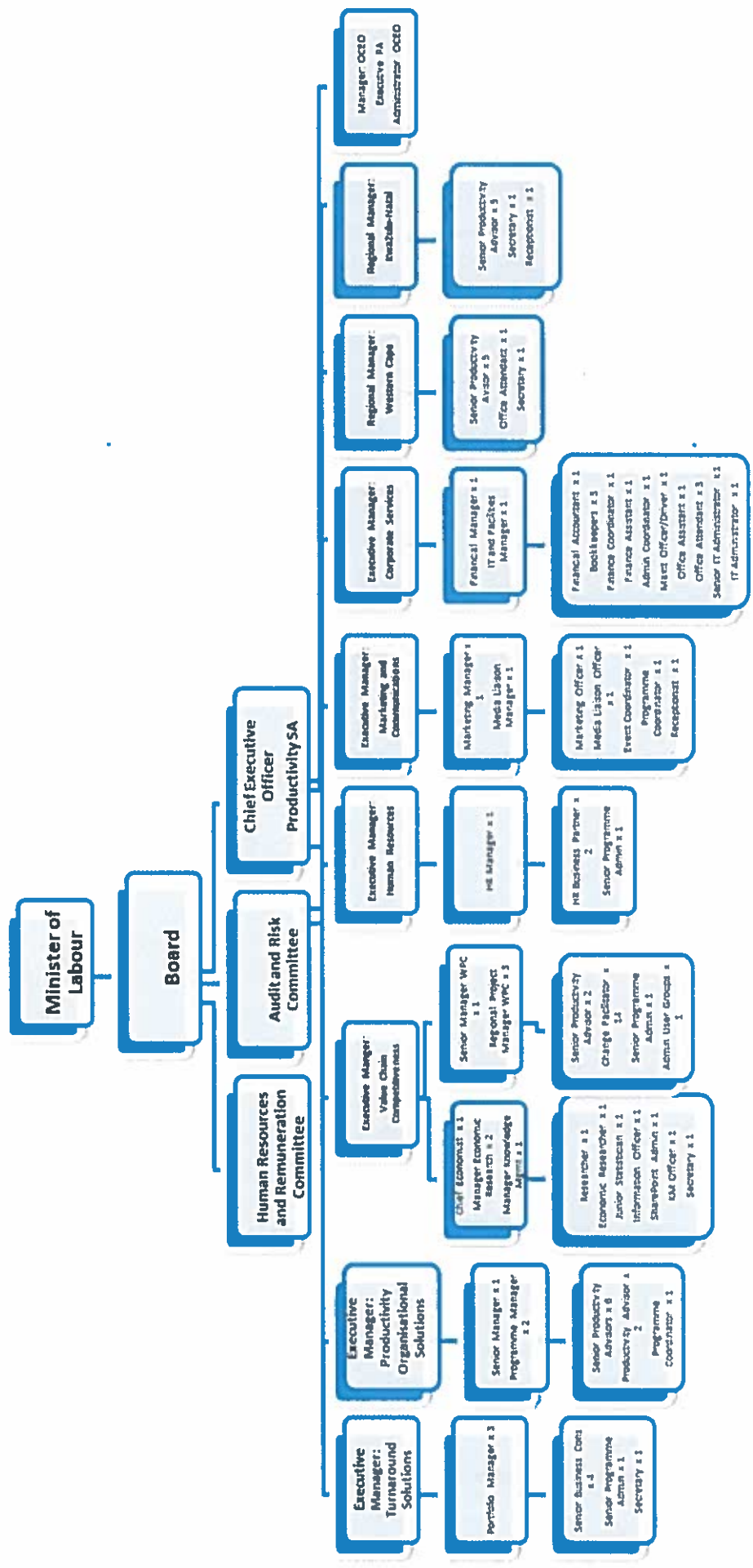
Further to the above, Productivity SA's challenges lie in addressing its operational and financial obligations, which gave rise to the review of the current Business Model to ensure growth and financial sustainability of the organisation, whilst demonstrating the impact of its mandate to the South African economy in general and to the Labour Market in particular.

To mitigate the above challenges, we reviewed our Business Model with the objective to improve the sustainability of the organisation, with a focus on (i) Financial Sustainability - Conduct Financial Reserve and Contingency Planning, (ii) Organisational Identity and Strategic Sustainability - Ensure Realistic Vision, mission, values and Goals; (iii) Product and Program Sustainability - Ensure High-Quality Products, Services and Programs; and (iv) Personnel Sustainability - Ensure Personnel Can Effectively and Reliably Perform as well as Organizational Culture. This process provided us with a clear definition of how the Entity will in the future continue innovating in order to create and deliver value to its customers, and in instances where they have to pay for such, a rationale will be provided on why they should appreciate the value derived and pay for such, and our ability to convert those payments to our financial viability and business continuity.

Notwithstanding its financial difficulties, Productivity SA has received an 'Unqualified Audit Opinion' in the 2016/2017 Financial Year, upon which we should build our performance on Corporate Governance and Compliance in the future.

To make all the initiatives happen, Productivity SA will invest financial resources to enhance our Infrastructure Management Capabilities which include resources and capabilities (infrastructure and equipment, people's competencies), our Key Activities and Processes, and Partners or Strategic Alliances as well as our delivery channels, which are the drivers for revenue generation and financial viability.

# 1.2.1 Organisational Structure



PROGRAMME	CURRENT HEADCOUNT	POSITIONS VACANT AS AT OCT 2017	TOTAL HEADCOUNT
<b>PROGRAMMES FUNDED IN TERMS OF SECTION 40A OF THE EMPLOYMENT SERVICES ACT:</b>			
OFFICE OF THE CEO	3	0	4
CORPORATE SERVICES	13	2	17
HUMAN RESOURCES	4	1	5
MARKETING	8	0	8
PRODUCTIVITY ORGANISATIONAL SOLUTIONS	11	0	12
VALUE CHAIN COMPETITIVENESS (RESEARCH & KM)	11	0	12
CAPE TOWN	7	1	8
KWAZULU NATAL	6	2	7
TOTAL:	63	6	73
<b>PROGRAMMES FUNDED IN TERMS OF SECTION 40B OF THE EMPLOYMENT SERVICES ACT:</b>			
VALUE CHAIN COMPETITIVENESS (WORKPLACE CHALLENGE)	20	4	22
TURNAROUND SOLUTIONS	10	3	12
TOTAL:	30	7	34
<b>GRAND TOTAL</b>	<b>93</b>	<b>13</b>	<b>107</b>



## 1.2.2 Internal Environment / SWOT Analysis

As part of a company's strategic planning process where it connects its objectives and strategies to actionable tactics, a SWOT analysis was conducted with a special focus on the internal environment. The purpose of this exercise was to ascertain Productivity SA's position regarding its resources and capabilities.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Association and skill transfer with APO</li> <li>• Key expertise</li> <li>• Positive media coverage</li> <li>• Ability to increase brand awareness, i.e. Continental presence</li> <li>• Dedicated, passionate team players</li> <li>• Government Grants</li> <li>• Well established financial and Governance policies (PFMA, PPPFA, TR)</li> <li>• Competitive service offering in terms of price and product</li> </ul>	<ul style="list-style-type: none"> <li>• Silo mentality across departments</li> <li>• Inability to optimally leverage off sister entities</li> <li>• Budgetary constraints</li> <li>• Productivity remains an abstract concept to some markets</li> <li>• Full appreciation of the brand value chain</li> <li>• Resource constraints and versatility</li> <li>• Rigidity of certain Policies</li> <li>• Inadequate financial reporting systems e.g. Dashboards, analytics etc.</li> <li>• Poor Revenue-To-Cash conversion rate</li> <li>• Lack of a customer relationship management tool</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Solicit sponsorship</li> <li>• Embark on producing more researched paper, workshops etc.</li> <li>• Integrative marketing approach with sister entities</li> <li>• Increased presence in priority sectors, i.e. Mining, Agriculture, Manufacturing</li> <li>• Improve brand awareness</li> <li>• Improved involvement in consulting projects</li> <li>• Enhance the efficiency and effectiveness of public service employees within the organisation by monitoring performance and developing a high performance culture</li> <li>• Embrace technology through enhancing blended training and development approach, including e-learning</li> <li>• Revising Policies to be more flexible</li> </ul>	<ul style="list-style-type: none"> <li>• Brand damage due to inconsistent delivery, i.e. Statistics Report</li> <li>• Limited footprint in all the provinces</li> <li>• Weak distribution channels of the Leader Magazine</li> <li>• Diminishing financial position of the organisation</li> <li>• Staff turnover</li> <li>• Outdated technology infrastructure i.e. IT Servers</li> <li>• Risk of fraud due to lack of segregation of duties</li> <li>• Loss of key resources</li> </ul>

In summarizing the pointers highlighted in the analysis, three strategic elements are addressed. These include:

The issue of the **People**, in relation to adequately capacitating existing revenue generating and support employees to deliver on the mandate reliably, accurately and timeously. Furthermore, taking into cognisance the expanded mandate and the need to expand the footprint nationwide, it has become clear that the current staff complement is unable to make a meaningful impact. The organisational redesign exercise that is currently underway is already suggesting that the complement needs to be beefed up from 107 to 136.

The **Infrastructure**, highlighting the risk of old, slow and outdated IT servers that have not been upgraded due to financial constraints as well as risks associated with reliance on Spreadsheets. But more so, the expansion and modernisation of our infrastructure as a platform to do our business faster and better. This modernisation is in response to the reality of the rapid changes in the ICT space dictating the way of doing business.

The concern raised around our **Financial Sustainability**, stems from the poor financial performance the organisation suffered in the past five years. This is further exacerbated by the Insolvency and Going Concern challenges the organisation is facing. Some of the identified interventions that are aimed at turning around the organisation include, but not limited to, refining our products and services to become best practice and customer-centric, expanding the network of strategic partners and reworking the service costing structure to enable correct billing when work is delivered.

To give effect to the above, a Business Model and more detailed service delivery improvement plan has been put together. The improvement plan is designed in an action plan format highlighting responsible persons and timelines.

## 2. Revision to the legislative and other mandates

Government has, through the promulgation of the Employment Services Act, No. 4 of 2014 (the Act) changed the legal form and expanded the mandate of Productivity SA, which is to promote employment growth and productivity thereby contributing to South Africa's socio-economic development and competitiveness. Section 32 of the Act enjoins Productivity SA to develop and enhance relevant productivity competencies and business efficiency in the workplace, with a focus the following Key Functions (Core Business):

- To promote employment growth and workplace productivity; and
- To provide support to enterprises facing economic distress and initiatives or schemes aimed at preventing job losses or minimising the retrenchment of employees.

Therefore, the Entity's Enterprise Support Programmes whose core objective is to improve productivity and competitiveness of enterprises within the Industrial Policy Action Plan (IPAP) priority sectors should be streamlined and comprehensive to achieve a productive high-income economy which is globally competitive, targeted at the productive sectors of the economy which have a potential for labour absorption.

### 3. Overview of 2017/2018 Budget and MTEF Estimates

#### 3.1 Expenditure Estimates

Table A.2 Productivity South Africa

	Audited Outcome		Revised estimate	Average growth rate (%)		Expenditure/total: Average (%)			Average growth rate (%)			Expenditure/total: Average (%)	
	2014/15	2015/16		2016/17	2017/18	2014/15-2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21			
R thousand													
Administration	43,661	42,170	40,665	41,363	-1.8%	47,560	50,145	53,258	36.9%	287,646	334,782	417,541	100.0%
Productivity organisational solution	8,594	8,980	8,663	11,211	9.3%	11,848	12,511	13,197	8.1%	287,646	334,782	417,541	100.0%
Value chain competitiveness	19,936	22,710	9,286	10,166	-20.1%	11,102	11,722	12,366	14.2%	287,646	334,782	417,541	100.0%
Workplace challenge	11,664	10,105	17,852	18,666	17.0%	20,936	22,104	23,320	12.4%	287,646	334,782	417,541	100.0%
Tumaround solutions	19,438	13,969	32,561	78,720	59.4%	196,200	238,300	315,400	27.9%	287,646	334,782	417,541	100.0%
Transnet	747	1,325	-	-	-100.0%	-	-	-	0.5%	287,646	334,782	417,541	100.0%
-	-	-	-	-	-	-	-	-	-	287,646	334,782	417,541	100.0%
-	-	-	-	-	-	-	-	-	-	287,646	334,782	417,541	100.0%
-	-	-	-	-	-	-	-	-	-	287,646	334,782	417,541	100.0%
-	-	-	-	-	-	-	-	-	-	287,646	334,782	417,541	100.0%
<b>Total expense</b>	<b>104,040</b>	<b>99,259</b>	<b>109,027</b>	<b>160,127</b>	<b>15.5%</b>	<b>287,646</b>	<b>334,782</b>	<b>417,541</b>	<b>100.0%</b>	<b>287,646</b>	<b>334,782</b>	<b>417,541</b>	<b>100.0%</b>

### 3.2 Relating expenditure trends to strategic outcome oriented goals

Table A.3 Productivity South Africa  
Statement of financial performance

	2014/15		2015/16		2016/17		2017/18		2014/15-2017/18			2017/18 - 2020/21			Expenditure/total: Average (%)	
	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget estimate	Revised estimate	Outcome/Budget Average %	Average growth rate (%)	Expenditure/total: Average (%)	2018/19	2019/20	2020/21		Average growth rate (%)
<b>R thousand</b>																
<b>Revenue</b>																
Tax revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-tax revenue	3,306	26,769	27,660	30,535	37,088	9,213	39,107	21,767	17.2%	-6.7%	20.4%	28,367	29,890	31,906	13.6%	10.0%
Sale of goods and services other than capital assets of which:	2,895	25,763	27,258	30,350	36,909	8,958	38,917	21,101	17.0%	-6.4%	20.0%	27,663	29,147	31,122	13.8%	9.7%
Administrative fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales by market establishment	2,895	25,763	27,258	30,350	36,909	8,958	38,917	21,101	17.0%	-6.4%	20.0%	27,663	29,147	31,122	13.8%	9.7%
Other sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-tax revenue	411	1,006	422	185	179	255	190	666	0.2%	-12.8%	0.5%	704	743	784	5.6%	0.3%
Transfers received	110,289	71,947	84,845	66,234	154,574	87,693	138,310	138,360	82.8%	24.4%	79.6%	259,279	304,892	385,635	40.7%	90.0%
<b>Total revenue</b>	113,595	98,716	112,525	96,769	191,662	96,906	177,417	160,127	100.0%	17.5%	100.0%	287,646	334,782	417,541	37.6%	100.0%
<b>Expenses</b>																
Current expenses	113,595	104,040	112,525	99,259	191,662	109,027	177,418	160,127	100.0%	15.5%	100.0%	287,646	334,782	417,541	37.6%	100.0%
Compensation of employees	52,378	54,741	58,566	57,974	59,857	61,470	67,315	67,415	41.8%	7.2%	52.4%	77,825	82,338	87,045	8.9%	28.6%
Goods and services	60,639	48,574	53,223	40,293	130,768	46,728	109,046	91,920	57.6%	23.7%	46.9%	209,028	251,652	329,693	53.1%	71.1%
Depreciation	578	696	736	846	892	642	946	681	0.5%	-0.7%	0.6%	720	760	802	5.6%	0.3%
Interest, dividends and rent on land	-	29	-	146	145	187	111	111	0.0%	56.4%	0.1%	73	32	1	-79.2%	0.0%
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	113,595	104,040	112,525	99,259	191,662	109,027	177,418	160,127	100.0%	15.5%	100.0%	287,646	334,782	417,541	37.6%	100.0%
<b>Surplus/(Deficit)</b>	-	(5,324)	-	(2,490)	-	(12,121)	-	-	-	-100.0%	-	-	-	-	-	-

## **PART B: PROGRAMMES AND SUBPROGRAMME PLANS**

### **Productivity SA Strategic Objectives**

- **Strategic Objective 1:** Strengthen the institutional capacity of Productivity SA to deliver on its mandate and be financially sustainable (Outcome 12)
- **Strategic objective 2:** Provide support to programmes aimed at sustainable employment and income growth (Outcome 4)
- **Strategic objective 3:** Provide support to companies facing economic distress to retain jobs (Outcome 4)
- **Strategic objective 4:** Contribute to employment and income growth through research, information generation and dissemination (Outcome 5)
- **Strategic objective 5:** Promote social dialogue and a culture of productivity and competitiveness in the workplace and community life (Outcome 5)

### **Productivity SA Strategic Programmes**

- Programme 1: Corporate Services
- Programme 2: Human Resource Management
- Programme 3: Marketing and Communication
- Programme 4: Productivity Organisational Solutions
- Programme 5: Value Chain Competitiveness
- Programme 6: Turnaround Solutions

### **Strategic Outcome Oriented Goals**

Productivity SA embraces the National Development Plan - Vision 2030, The Industrial Policy Action Plan and the Medium Term Strategic Framework 2014/15 –2018/19 – as reflected in the following Key Outcomes:

- **Outcome 4:** Decent employment through inclusive growth
- **Outcome 5:** A skilled and capable workforce to support an inclusive growth path
- **Outcome 12:** An efficient, effective and development orientated public service and an empowered and inclusive citizenship

## Government Service Delivery Outcomes and Productivity SA's Strategic Goals

To implement these outcomes, Productivity SA was mandated to implement the following strategic goals:

<p><b>Strategic outcome oriented goal 1: (OUTCOME 4)</b></p>	<p><b>Decent employment through inclusive growth</b></p>
<p><b>Strategic goals.</b></p>	<ul style="list-style-type: none"> <li>• Opportunities for inclusive and sustainable growth and development with more and better decent jobs and income growth for all are created.</li> <li>• Small and Medium Enterprises participating in SOEs and Private Sector / Multinational (Equity Equivalent) Enterprise and Supplier Development Programmes are productive and competitive to create more employment opportunities and wealth creation.</li> <li>• A culture of productivity and competitiveness is inculcated in the workplace and in all spheres of the nation's economic and community life through dialogue and public awareness programmes</li> </ul>
<p><b>Strategic outcome oriented goal 2: (OUTCOME 5)</b></p>	<p><b>A skilled and capable workforce to support an inclusive growth path</b></p>
<p><b>Strategic goal.</b></p>	<ul style="list-style-type: none"> <li>• Workers and managers are capacitated and empowered on productivity and competitiveness related concepts and collectively contribute to the creation of more and better decent jobs and income growth/wealth</li> </ul>
<p><b>Strategic outcome oriented goal 3: (OUTCOME 12)</b></p>	<p><b>An efficient, effective and development orientated public service and an empowered and inclusive citizenship</b></p>
<p><b>Strategic goals.</b></p>	<ul style="list-style-type: none"> <li>• Implement programmes that improves efficiency and effectiveness of government</li> <li>• Stronger performance management and accountability</li> </ul>

## Strategic Objectives

<b>Strategic Objective 1</b>	<b>To strengthen the institutional capacity of Productivity SA to deliver on its mandate and be financially sustainable</b>
Objective Statement	Productivity SA delivers on its mandate and generate funds to be financially viable.
Baseline	<ul style="list-style-type: none"> <li>✓ Revised/approved Business Model</li> <li>✓ 68% achieve APP targets</li> <li>✓ R10 119 million self-generated revenue</li> <li>✓ Unqualified audit opinion 2016/17</li> <li>✓ 80% Workplace skills plan</li> </ul>
<b>Strategic Objective 2</b>	<b>Provide support to programmes aimed at sustainable employment and income growth</b>
Objective Statement	To provide access to productivity concepts and skills transfer to South Africa's work force in order to improve productivity in the workplace
Baseline	<ul style="list-style-type: none"> <li>✓ 5527 SMME Trained</li> <li>✓ 273 Educators trained</li> <li>✓ 1002 Workers trained</li> <li>✓ 122 SDFs trained</li> <li>✓ 610 enterprises on WPC (Implementation and aftercare)</li> </ul>
<b>Strategic Objective 3</b>	<b>Provide support to companies facing economic distress to retain jobs</b>
Objective Statement	Enterprises facing economic distress retain jobs and prevent retrenchments of employees
Baseline	<ul style="list-style-type: none"> <li>✓ 4760 Jobs saved</li> <li>✓ 53 Future forums</li> </ul>
<b>Strategic Objective 4</b>	<b>Contribute to South Africa's competitiveness (economic performance/employment growth and business efficiency) through the collection and supply of credible productivity statistics and Labour Market information.</b>
Objective Statement	To conduct research and disseminate information to contribute to economic performance and business efficiency

Baseline	<ul style="list-style-type: none"> <li>✓ 2016 IMD Competitiveness Yearbook</li> <li>✓ Draft Report on public sector performance and service delivery</li> </ul>
<b>Strategic Objective 5</b>	<b>Promote social dialogue and a culture of productivity and competitiveness in the workplace and community life</b>
Objective Statement	To promote social dialogue and a culture of productivity and competitiveness in the workplace and all spheres of the nation's economic and community life
Baseline	<ul style="list-style-type: none"> <li>8 National Productivity Awards</li> <li>4 Magazine</li> <li>9 partnerships</li> <li>55 Productivity Workshops and seminars</li> </ul>



#### 4. PROGRAMME PERFORMANCE INDICATORS AND ANNUAL TARGETS FOR 2018/2019

##### 4.1 Strategic Objectives annual target for MTEF and APP 2018/2019

Strategic Objective 1: Strengthen the institutional capacity of Productivity SA to deliver on its mandate and be financially sustainable

KEY INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS					
	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1. Percentage of exchange revenue generated to improve the financial sustainability of the organisation by year end	New Indicator			10%	10%	10%	10%	10%	10%	10%
2. Percentage of SMEs paid within 30 days of receipt of statement	New Indicator			100%	100%	100%	100%	100%	100%	100%
3. Percentage of workplace skills plan and training interventions achieved to capacitate the workforce for effective delivery of Productivity SA's mandate	New Indicator			80%	80%	80%	80%	80%	80%	80%
4. Number of productivity consultants and practitioners trained as Kaizen Practitioners	New Indicator			Productivity Consultants accredited as Kaizen Practitioners of 5	10	15	20	30		

Strategic objective 2: Provide support to programmes aimed at sustainable employment and income growth

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS						
	2014/15	2015/16		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	5.	Number of companies capacitated to improve productivity and business efficiency		100	100	100	100	100	100	100
6.	Number of Small and Medium Enterprises and Cooperatives supported on ESD programmes through Productivity and operational efficiency enhancement programmes		5863	4837	5527	5500	5500	5500	5500	5500

**Strategic objective 3: Provide support to companies facing economic distress to retain jobs**

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS				
	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23	
7. Number of jobs saved in 1589 companies facing economic distress		6976	4760	7500	10 000	11000	12500	12500	12500	12500	
8. Number of companies facing economic distress supported through Turn-around Strategies to retain jobs (nurturing)	34	43	49	150	200	220	250	250	250	250	
9. Number of workplace / Future forums members trained and capacitated on productivity improvement solutions	23	39	53	150	600	660	750	750	750	750	

**Strategic objective 4: Contribute to employment and income growth through research, information generation and dissemination**

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS				
	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22	2022/23	
10. Number of research reports and publications on priority sectors produced and disseminated	4	1	4	4	4	4	4	4	4	4	
11. Number of statistical reports on productivity and competitiveness published	New Indicator			2	2	2	2	2	2	2	

**Strategic objective 5: Promote social dialogue and a culture of productivity and competitiveness in the workplace and community life**

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS					
	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
12. Number of productivity awards and regional milestone workshops hosted	8	8		10	10	10	10	10	10	10
13. Number of champions, Training and Development (ETDs) and beneficiaries trained	New Indicator			200	200	200	200	200	200	200

#### 4.2 Quarterly Performance Targets for 2018/2019

	PROGRAMME	KEY PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.	Corporate Services	Percentage of exchange revenue generated to improve the financial sustainability of the organisation by year end	Annually	10% year on year				10% year on year
2.	Corporate Services	Percentage of SMEs paid within 30 days of receipt of statement	Quarterly	100%	100%	100%	100%	100%
3.	Human Resource Management	Percentage of workplace skills plan and training interventions achieved to capacitate the workforce for effective delivery of Productivity SA's mandate	Annually	80%				80%
4.	Value Chain Competitiveness	Number of productivity consultants and practitioners trained as Kaizen Practitioners	Annually	5				5

	PROGRAMME	PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS									
					1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>						
5.	Value Chain Competitiveness	Number of companies capacitated to improve productivity and business efficiency	Quarterly	100	25	25	25	25						
6.	Productivity Organisational Solutions	Number of Small and Medium Enterprises and Cooperatives on ESD programmes supported through Productivity and operational efficiency enhancement programmes	Quarterly	5500	950	1350	1600	1600						
					EC	FS	GP	KZN	LP	MP	NC	NW	WC	Total
				450	50	50	250	150	150	50	50	50	150	950
				450	50	50	250	150	150	50	50	50	150	950
				1000	250	250	250	250	200	200	200	200	200	1350
				750	150	150	150	150	200	200	200	200	200	1350
				750	150	150	150	150	200	200	200	200	200	1350
				450	50	50	250	150	150	50	50	50	150	950
				450	50	50	250	150	150	50	50	50	150	950
				450	50	50	250	150	150	50	50	50	150	950
				750	150	150	150	150	200	200	200	200	200	1350
				750	150	150	150	150	200	200	200	200	200	1350
				5500	950	1350	1600	1600	1600	1600	1600	1600	1600	1600
7.	Turnaround Solutions	Number of jobs saved in companies facing economic distress	Quarterly Cumulative	10000	2500	5000	7500	10000						

	PROGRAMME	PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
					1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>
8.	Turnaround Solutions	Number of companies facing economic distress supported through Turn-around Strategies to retain jobs (nurturing)	Quarterly Cumulative	200	50	100	150	200
9.	Turnaround Solutions	Number of workplace / Future forums members trained and capacitated on productivity improvement solutions	Quarterly Cumulative	600	150	300	450	600
10.	Value Chain Competitiveness	Number of research reports and publications on priority sectors produced and disseminated	Annually	4 Published reports				Publish 4 reports
11.	Value Chain Competitiveness	Number of statistical reports on productivity and competitiveness published	Quarterly	2 Published reports	Publish 1 report			Publish 1 report
12.	Marketing and Communications	Number of productivity awards and regional milestone workshops hosted	Annually	10 9 Regionals 1 National		9	1	

PROGRAMME	PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2018-19	QUARTERLY TARGETS			
				1 <sup>st</sup>	2nd	3 <sup>rd</sup>	4th
13.	Productivity Organisational Solutions Number of productivity champions, Training and Development (ETDs) and beneficiaries trained	Quarterly	200 EC 20 FS 20 GP 30 KZN 20 LP 20 MP 20 NC 30 NW 20 WC 20 Total 200	60 EC 0 FS 0 GP 30 KZN 10 LP 10 MP 0 NC 0 NW 0 WC 10 Total 60	60 EC 10 FS 0 GP 0 KZN 0 LP 10 MP 10 NC 10 NW 10 WC 10 Total 60	40 EC 10 FS 10 GP 0 KZN 0 LP 0 MP 0 NC 10 NW 10 WC 0 Total 40	40 EC 0 FS 10 GP 0 KZN 10 LP 0 MP 0 NC 10 NW 10 WC 0 Total 40



## ANNEXURE E: TECHNICAL INDICATOR DESCRIPTION

Area	Description
1. Indicator title	Percentage of exchange revenue generated to improve the financial sustainability of Productivity SA (Excl. TAS and WPC) by year end
Short definition	To generate additional income required by Productivity SA to run self-sufficiently over and above the allocation from Treasury (UIF, the dti)
Purpose/importance	To ensure that the income generated covers operational requirements.
Source/collection of data	Annual Financial Reports
Method of calculation	Income generated as reported on Annual Financial Statement
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Strategic plan in place to ensure sufficient availability of revenue to cover operational costs
Indicator responsibility	CFO and Financial Manager

Area	Description
2. Indicator title	Percentage of SMEs paid within 30 days of receipt of statement
Short definition	Small Medium Enterprises must be paid within a period of 30 days from receipt of statement. SMEs are defined as enterprises whose annual turnover is less than R10m.
Purpose/importance	To ensure timeous payments
Source/collection of data	Creditors age analysis print out
Method of calculation	Compare statement date to payment date
Data limitations	Possible unavailability of supplier statement
Type of indicator	Output
Calculation type	Quarterly
Reporting cycle	
New indicator	Yes
Desired performance	Compliance with PFMA
Indicator responsibility	CFO and Financial Manager

Area	Description
3.	Percentage of workplace skills plan and training interventions achieved to capacitate the workforce for effective delivery of Productivity SA's mandate
Short definition	To implement 85% of the organisational training plan to ensure statutory compliance
Purpose/importance	To have competent and skilled employees that will support and implement organisational strategy
Source/collection of data	Individual Development Plans, Attendance Registers, Invoices
Method of calculation	Number of training courses completed based on Training plan
Data limitations	Non-attendance of training
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Bi-Annually
New indicator	Has significantly changed
Desired performance	To have competent and skilled employees to support and implement organisational strategy
Indicator responsibility	CEO, HR, Executive, Senior and Line Managers

<b>Area</b>	<b>Description</b>
4.	Number of productivity consultants and practitioners trained as Kaizen Practitioners
Short definition	Consultants that implement Productivity and Competitiveness Improvements at participating organizations
Purpose/importance	In line with capacity required to execute Workplace Challenge Business Plan
Source/collection of data	HR Records
Method of calculation	Number of Consultants
Data limitations	Moratorium on vacancies
Type of indicator	Input that has influence on efficiency and effectiveness of the programme
Calculation type	Non- Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher
Indicator responsibility	Executive Manager: VCC

<b>Area</b>	<b>Description</b>
5.	Number of companies capacitated to improve productivity and Business efficiency
Short definition	Companies assisted through Workplace Challenge Programme
Purpose/importance	To show number of enterprises participating with the objective of improving productivity and competitiveness and impact on Job Retention and creation
Source/collection of data	Signed Contracts
Method of calculation	No of Contracts

Data limitations	Economic constraints since companies have to pay a portion and are unable to join the programme
Type of indicator	Input and Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Higher
Indicator responsibility	Executive Manager: VCC

Area	Description
6.	Number of Small enterprises and cooperatives supported through productivity and operational efficiency enhancement programmes
Short definition	SMEs and Cooperatives Productivity Capacity building
Purpose/Importance	To cultivate productive behaviour and distribute productive competencies among SMMEs and cooperatives
Source/collection of data	Training reports, attendance register
Method of calculation	SMEs and Cooperatives owner/s counted using South African ID number per module attended
Data limitations	The ID number counting is limited to one encounter or session
Type of indicator	Indicator is quantitative in nature and disregard outcomes and impact
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from previous year



Desired performance	The actual performance should be maintained
Indicator responsibility	Executive Manager: POS through Programme Manager

Area	Description
7.	Number of jobs saved in companies facing economic distress
Short definition	The numbers of jobs saved within the companies that TAS assist to Turnaround. For each company and the total number of jobs saved for all companies assist within the year.
Purpose/importance	The indicator reflects the total number of jobs saved within the programme. The impact of jobs saved in the economy.
Source/collection of data	The information is collected from the TAS application forms which companies request assistance. The job numbers on the TAS application forms.
Method of calculation	The indicator is calculated on the funds received and the size of companies assisted. The size of companies are on three levels 1) Small (0 to 20 employees) 25%, 2 Medium (21 to 50 employees) 50% and 3 large (51 upwards) 25%
Data limitations	Based on the funding received, if less funding is received. Smaller job numbers will be reported.
Type of indicator	Activity and output
Calculation type	Yearly number of jobs saved
Reporting cycle	Quarterly and yearly
New indicator	Existing
Desired performance	To be measured at year-end. 70% achievement on the indicator that should score 100%+
Indicator responsibility	Executive Managers TAS

Area	Description
8.	<p><b>Indicator title</b>      Number of companies facing economic distress supported through Turn-around Strategies to retain jobs (nurturing)</p> <p><b>Short definition</b>      The number of companies assisted and supported in the turnaround solutions programme in order to save jobs.</p> <p><b>Purpose/importance</b>      The companies saved / turnaround through the turnaround solutions process.</p> <p><b>Source/collection of data</b>      The information is collected from the TAS application forms which companies request assistance. The company names on the TAS application forms</p> <p><b>Method of calculation</b>      Add the number of companies assisted from the TAS application forms.</p> <p><b>Data limitations</b>      Based on the funding received, if less funding is received, fewer companies will be reported and assisted.</p> <p><b>Type of indicator</b>      Output</p> <p><b>Calculation type</b>      Yearly number of companies assisted.</p> <p><b>Reporting cycle</b>      Quarterly and yearly</p> <p><b>New indicator</b>      Existing</p> <p><b>Desired performance</b>      60% of companies assisted due to the 9 month process timeline. It will overlap to the next year. Inclusive is the late transfer.</p> <p><b>Indicator responsibility</b>      Managers and Acting Executive Manager</p>

Area	Description
9.	<p><b>Indicator title</b>      Number of Future Forum members trained and capacitated</p> <p><b>Short definition</b>      The number of employees trained and capacitated in the turnaround solutions programme in order to save jobs.</p> <p><b>Purpose/importance</b>      Employees are trained and capacitated for the turnaround to be sustainable</p> <p><b>Source/collection of data</b>      The information is collected from the Future Forum training registers</p> <p><b>Method of calculation</b>      The targets are cumulative based on number of employees trained per training register</p>

Data limitations	Based on the funding received, if less funding is received, fewer employees can be trained and capacitated.
Type of indicator	Output
Calculation type	Yearly number of employees trained and capacitated
Reporting cycle	Quarterly and yearly
New indicator	New
Desired performance	60% of companies assisted due to the 9 month process timeline. It will overlap to the next year. Inclusive is the late transfer.
Indicator responsibility	Managers and Executive Manager

Area	Description
10. Indicator title	Number of research reports on priority sectors produced and disseminated
Short definition	Four research reports produced and disseminated in the following sectors
Purpose/importance	Contribute to employment, productivity and income growth and influence policy decisions
Source/collection of data	Published reports by year end (draft reports on a quarterly basis)
Method of calculation	Reports
Data limitations	Dependent on availability of data
Type of indicator	Published report
Calculation type	Non-cumulative
Reporting cycle	Quarterly



New indicator	Report
Desired performance	Achievement of all reports
Indicator responsibility	Executive Manager: VCC

Area	Description
11.	Number of statistical reports on productivity and competitiveness
Short definition	Produce annual productivity statistics report and Institute for Management Development (IMD) Competitiveness Yearbook
Purpose/importance	Contribute to employment, productivity, income growth and inform economic decisions
Source/collection of data	Published reports by year end (draft reports on a quarterly basis)
Method of calculation	Report
Data limitations	Dependent on data obtained from data houses
Type of indicator	Final report
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Achievement of all reports
Indicator responsibility	Executive Manager:VCC

<b>Area</b>	<b>Description</b>
<b>12.</b>	
Indicator title	Number of productivity awards and regional milestone workshops hosted
Short definition	Number of productivity awards held refers to events that will be held in order to enable the promotion of social dialogue and a culture of productivity and competitiveness in the workplace and community
Purpose/importance	The of productivity awards held 's purpose is to create a platform to ensure the promotion of social dialogue and a culture of productivity and competitiveness in the workplace and community
Source/collection of data	The source of data is an environmental scan to source companies to participate in the awards
Method of calculation	The method of calculation for number of productivity awards held is simply a numerical record of number of productivity awards held
Data limitations	Data limitation is the unavailability of companies participating in the awards. Funds required to source companies is also a limitation
Type of indicator	The indicator is measured through number of awards but impact can be determined through a brand and awareness survey on Productivity SA
Calculation type	The measurement focuses on output and this relates to number of award held though impact can also be measured brand and awareness survey plus stakeholder growth or lack thereof.
Reporting cycle	. The outcomes are reported on quarterly as per Performance Management cycle
New indicator	No
Desired performance	Meet or targets on number of awards held
Indicator responsibility	Executive Manager: Marketing and Communication

<b>Area</b>	<b>Description</b>
<b>13.</b>	
Indicator title	Number of productivity champions, Education, Training and Skills Development Facilitators (ETDs) and beneficiaries trained
Short definition	Productivity champions trained on productivity
Purpose/importance	Organisation Productivity improvement with regard to skills development administration and quality assurance

Source/collection of data	Training reports, attendance register
Method of calculation	SDF is counted using South African ID number per module attended
Data limitations	The ID number counting is limited to one encounter or session
Type of indicator	Indicator is quantitative in nature and disregard outcomes and impact
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Continues without change from previous year
Desired performance	The actual performance should be maintained
Indicator responsibility	Executive Manager: POS