



PRESENTATION TO THE PORTFOLIO COMMITTEE ON LABOUR

14 Sept 2010

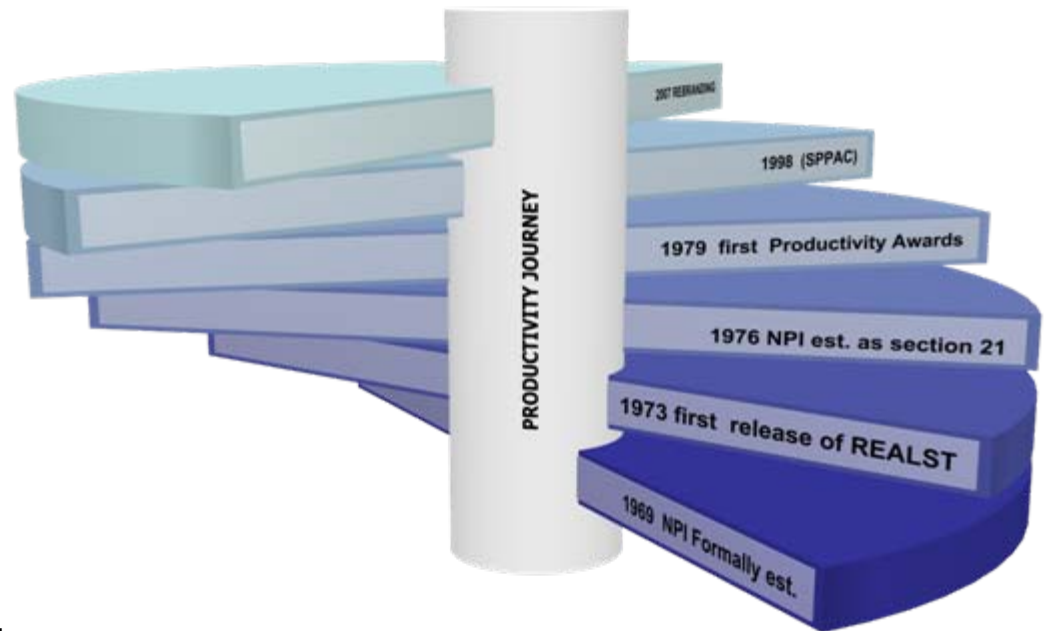
STRATEGIC INTENT

Vision: To lead and inspire a productive and competitive South Africa

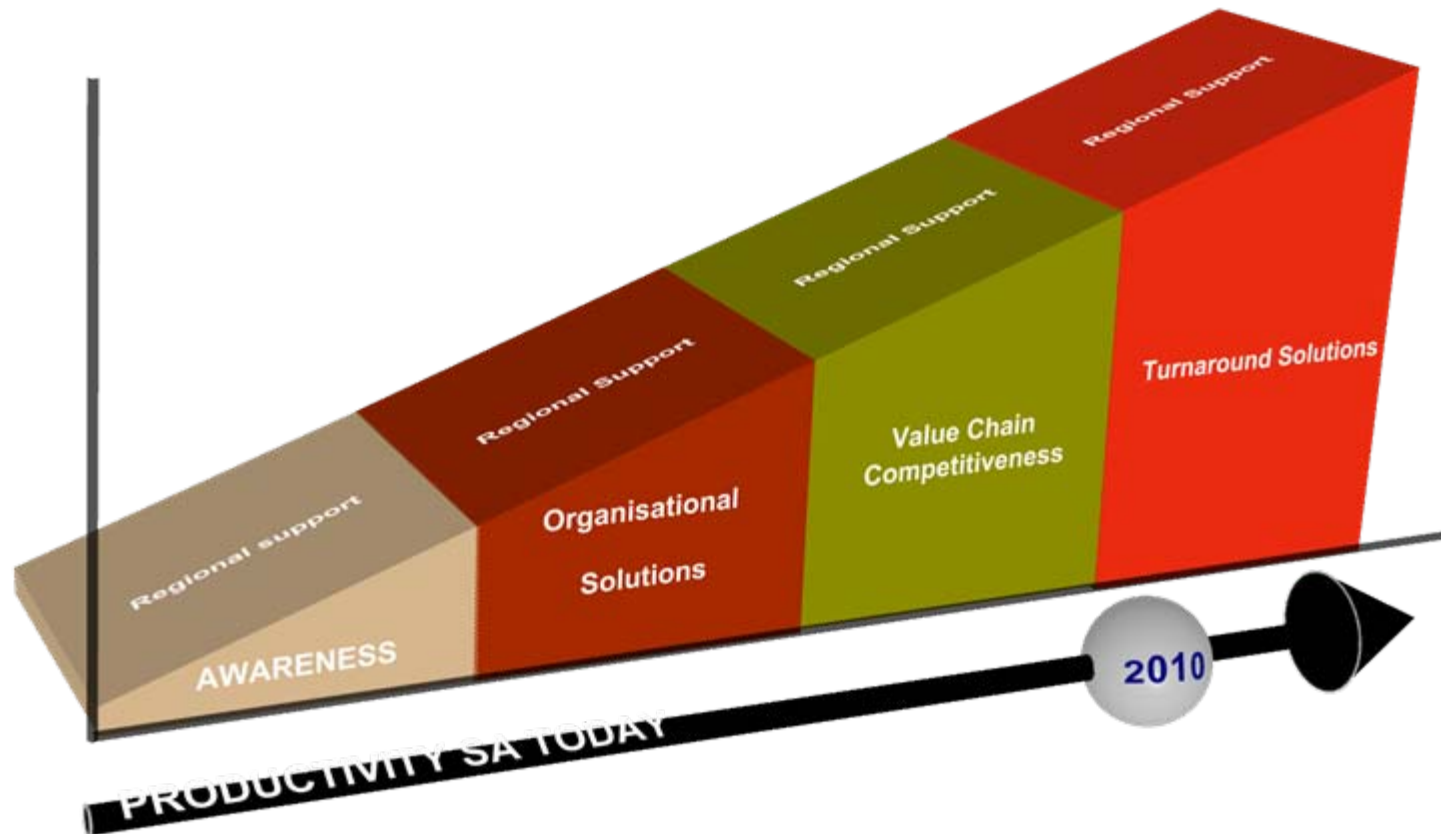
Mission: Productivity SA is a tripartite organisation dedicated to the development and enhancement of South Africa's productivity by unleashing the spirit of continuous productivity improvement in all South Africans.

40 YEAR JOURNEY: 1969 - 2009

- Since 1969, Productivity SA has improved productivity in over 2000 companies, employing over 500 000 people.
- We've saved over 96 000 jobs through our turnaround programme.
- Productivity accounting within the Public Sector has brought about cumulative productivity gains
- Cost savings of over R43 million through our interventions in SMME's.



PRODUCTIVITY SA TODAY



2009/10 FOCAL AREAS

- **JOBS SAVING**
- **CONTINUOUS IMPROVEMENT PROGRAMME**
- **PRODUCTIVITY TRAINING AND AWARENESS**
- **PRODUCTIVITY KNOWLEDGE**



OUR APPROACH

OUR APPROACH

- ❖ Customer-focused and people centred
- ❖ Encourages a productivity mindset that is internalised
- ❖ Alignment to national priorities; and
- ❖ Delivery through partnerships/networks/alliance
- ❖ Promotes collaboration between management and labour

❖ Promotes collaboration between management and labour



TURNAROUND SOLUTIONS

SOCIAL PLAN PHASES



TURNAROUND SOLUTIONS

- **This is an initiative of the Jobs Summit (1998)**
 - **Funded by Department of Labour (DoL)**
 - **Managed by Productivity SA**
- **Aimed at:**
 - **Job Saving**

PROGRAMME HIGHLIGHTS

- 136 Turnaround Future forums established
- 18 246 jobs have been impacted upon
- 83 Turnaround strategies developed
- 64 Proactive future forums established
- 100 Early warning systems implemented



REGIONAL SPREAD

TURNAROUND INTERVENTIONS

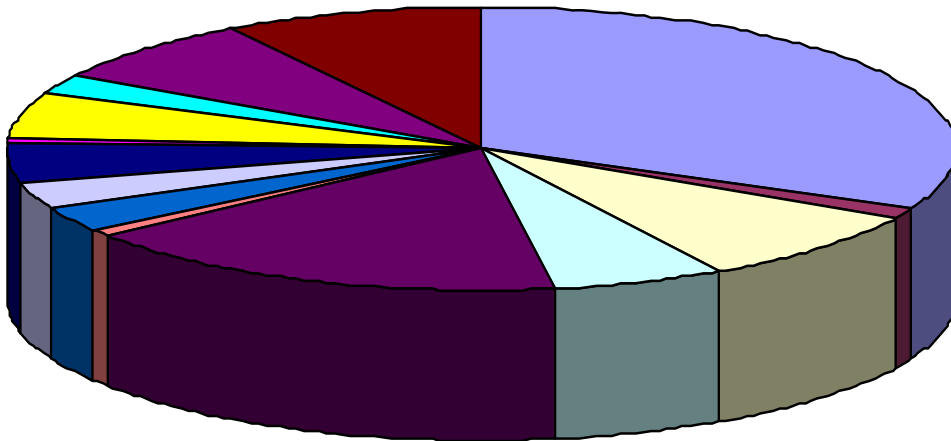


- North West 5
- Eastern Cape 3
- Gauteng 30
- Limpopo 20
- Mpumalanga 11
- Western Cape 8
- KwaZulu-Natal 11
- Northern Cape 3
- Free State 45
- **TOTAL 136**

GEOGRAPHIC SPREAD OF TURNAROUND INTERVENTIONS 2009/10

SECTORS

NUMBER OF COMPANIES IN SECTORS



- Agriculture
- Arts and Crafts
- Clothing and Textiles
- Cleaning and Catering Services
- Construction
- Electrical Appliances
- Food Products
- Metal and Steel
- Manufacturing of Furniture
- Printing Services
- Manufacturing of Plastics & Rubber
- Security Services
- Transport Services
- Manufacturing of Wood



2009/10 PERFORMANCE

Key Result Area	Measure/Indicator	Results
Contribute to preventing Job losses	<ul style="list-style-type: none"> Establish 120 future forums in distressed companies 	<ul style="list-style-type: none"> 136 Future forums established 18 246 jobs have been impacted upon
Turnaround interventions developed to prevent job losses	<ul style="list-style-type: none"> Develop 70 turnaround strategies 	<ul style="list-style-type: none"> 83 Strategies Developed
Build Capacity of Proactive Future forums	<ul style="list-style-type: none"> Establish 137 Proactive Future forums in stable companies Establish 100 Early Warning Systems 	<ul style="list-style-type: none"> 164 Proactive future forums established 100 Early warning systems established
Identify Sector Projects to prevent job losses	<ul style="list-style-type: none"> Conduct 12 sector/industry studies 	<ul style="list-style-type: none"> Desktop research has been conducted on 13 sectors



VALUE CHAIN COMPETITIVENESS

STRATEGIC FOCAL AREAS



Work Place Challenge

OBJECTIVE

- To improve productivity and competitiveness of South African firms and sectors through constructive labour relations and the implementation of continuous improvement principles at the workplace

Processes:

- Nurturing of enterprises
- Capacity building workshops (for companies participating in Clusters)
- Implement workplace transformation in clusters of between 6 and 9 enterprises.
- Clusters participating in the aftercare programme
- Model Companies established to enhance competitiveness through demonstrating to other companies
- Manufacturing centres implementing Continuous Improvement principles
- Implement awareness and dissemination programme

workplace

WORKPLACE CHALLENGE HIGHLIGHTS

187 enterprises nurtured against a target of 64 enterprises

16 capacity building workshops were conducted against a target of 6 capacity building workshops

19 clusters at implementation phase against a target of 12 clusters



a target of 15 clusters

to increase productivity and growth of

2009/10 PERFORMANCE

KEY ACTIVITIES	MEASURE	RESULTS
Facilitate constructive dialogue between the social partners, managers and workers,	64 enterprises nurtured	181 enterprises nurtured
Develop the capacity of employers and workers	6 capacity building workshops	16 capacity building workshops
Implement workplace transformation in Clusters and User groups	12 Participating projects at year end	19 Participating projects at year end
Provide aftercare programme	20 Participating User Groups and Clusters at year end	19 Participating User Groups and Clusters at year end
Establish a process of accreditation and awards for enterprises achieving world-class competitiveness	Developing and testing of diagnostic audit for accreditation and award purposes	Diagnostic audit developed & tested

2009/10 PERFORMANCE

KEY ACTIVITY	MEASURE	RESULT
Train and coach Change Facilitators & Interns in change-management processes.	<ul style="list-style-type: none"> • 9 Change Facilitators trained and coached. • 2 Interns trained and coached 	<ul style="list-style-type: none"> • 10 Change Facilitators trained and coached • 2 Interns trained and coached
Provide practical opportunities for Change Facilitators to develop their change-management skills.	168 enterprises (Clusters, User Groups, model companies and Aftercare)	219 enterprises

RESEARCH

PRODUCTIVITY STATISTICS

Annual publication providing productivity trends in the country

Information covers output employment, capital input, output productivity, capital productivity, multifactor productivity, unit labour and capital costs;

Consumed by government, labour and business and international institutions like The World Bank and IMD.

2009/10 PERFORMANCE

Key result area	Measure/Indicator	Results
Impact of labour legislation (Labour Relations Act and Employment Equity Act) on productivity	Research report	Report not completed
Impact of municipal programmes on SMME development	4x Seminars	4 Seminars completed
Competitiveness indicators position document	Updated competitiveness indicators position document Stakeholder workshop held	Completed
Productivity Statistics 2008	Statistics report	Report completed
IMD World Competitiveness Yearbook 2010	Macro economic trend and competitiveness analysis report	Report completed



ORGANISATIONAL PRODUCTIVITY SOLUTION

Strategic objectives

1

- To provide productivity training to intermediaries such as educators, SDFs and ETD service providers to leverage our reach to organisations and communities

2

- To conduct direct training to managers, workers and emerging entrepreneurs to foster continuous performance improvement

3

- To implement productivity improvement projects in government departments and private organisations for continuous performance improvement

FOCAL AREAS

- Small enterprise development
- Training and development
- Education
- Organisational Assessment
- Productivity improvement projects



2009/10 PERFORMANCE

Key result area	Measure	Results
Emerging entrepreneurs trained	2 000	2 103
Workers trained on productivity improvement	500	705
Government and SOE managers	100	144
Teachers/educators trained in productivity concepts	500	238
Skills development facilitators trained	200	138
Productivity Improvement in Government	1	1(Johannesburg City Council)
Development of learners data registering IT system for the Accreditation System	Accreditation system in place	80 % completed (pending final approval from Services SETA)



POSITIONING/BRANDING AND STAKEHOLDER MANAGEMENT

OBJECTIVES OF THE PROGRAMME

To inspire SA towards greater productivity achievements

To raise the urgency and the importance with which productivity has to be given in the face of world competitiveness

- To highlight the role of every South African in achieving this
- To create a universal understanding of productivity

To build the legacy for the Productivity SA

Give Productivity SA ownership of productivity related issues (to be supported by various comm. Platforms)

- Raise the profile of Productivity SA events (Productivity Month, Research Reports etc)

To build appropriate relationships between Productivity SA and stakeholders

Initiate own and participate in relevant discussion forums

- Invitations to lectures, seminars etc
- Partnership or co-sponsorship of productivity or labour related issues

OUTCOMES

- Create awareness of the importance of productivity and competitiveness (e.g. productivity seminars)
- Create association of productivity concepts with Productivity SA
- South Africans embrace the concepts of productivity that lead to changed behaviour
- An entrenched brand awareness that lead to a strong brand equity
- Forefront of Productivity thinking and discourse
- Assertive and Influential

Assertive and Influential

Forefront of Productivity thinking and discourse



2009/10 PERFORMANCE

KEY RESULT AREA	INDICATOR	RESULTS
National awareness campaign	<ul style="list-style-type: none"> • Print and electronic campaign • 70 Media articles published 	<ul style="list-style-type: none"> • Campaign implemented • 72 articles
Productivity related knowledge	<ul style="list-style-type: none"> • 6 Productivity magazines • Annual Report • Marketing support material • 40th Anniversary publication 	<ul style="list-style-type: none"> • 5 magazines produced • Completed • Completed • Completed
Productivity Month Campaign	<ul style="list-style-type: none"> • Company participation on awards 	<ul style="list-style-type: none"> • 71 companies
	<ul style="list-style-type: none"> • Two Regional Productivity Awards ceremony • National Productivity awards ceremony 	<ul style="list-style-type: none"> • Completed • Completed
Stakeholder Management	<ul style="list-style-type: none"> • 2 Partnership with Provincial Economic Development • BUSA/AHI//SEIFSA • Partnership with SETA's 	<ul style="list-style-type: none"> • 4 partnerships (Limpopo, KZN, W.Cape, Mpumulanga) • Completed (Presentation with AHI and SEIFSA) • 1 Partnership programme - Inserta Partnership summit)



TALENT MANAGEMENT AND ORGANISATIONAL DEVELOPMENT

FOCAL AREAS



Talent Sourcing and Acquisition

- Recruitment
- Vacancy Rate



Talent Management

- Retention of scarce skills
- Succession Planning
- Identification of people with potential
- Training and Development



Build a Performance Culture

- Organisation Climate and Culture survey
- Organisation culture and values
- Performance Management

HIGHLIGHTS 2009/10

- Successful partnership with the Asian Productivity Organisation in transferring of cutting edge productivity skills from Asian experiences.
 - ✓ 6 Employees trained on Basic Course for Productivity Practitioners
 - ✓ 5 Employees on the Advanced Course for Productivity Practitioners
 - ✓ 3 Employees went on a study mission to Japan on Lean Management
- Implementation of the Culture Shift Journey impacted on staff morale
 - ✓ Improved staff turnover and vacancy rate.
 - ✓ Only 9 resignations as compared to 22 in the previous year.



FINANCE & ADMINISTRATION

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2010 R'000	2009 R'000 Restated
Revenue from non-exchange transactions			
Grants received	2	71 002	75 127
Other income	3	5 446	12 033
Finance income	9	214	287
Total revenue from non-exchange transactions		76 662	87 447
Expenditure			
Administrative expenses	4	(2 408)	(3 453)
Staff expenses	5	(29 822)	(27 334)
Marketing expenses	6	(183)	(8 415)
Auditors remuneration	7	(496)	(370)
Other operating expenses	8	(44 892)	(38 818)
Finance expense	9	(48)	(493)
Total expenditure		(77 849)	(78 883)
(Deficit)/surplus for the year		(1 187)	8 564

BALANCE SHEET

	Note	2010 R'000	2009 R'000 Restated
ASSETS			
Non-current assets			
Property and equipment	10	943	953
Current assets			
Inventory	15	280	265
Trade and other accounts receivable	11	1 395	1 149
Cash and cash equivalents	12	3 534	9 305
Total assets		6 152	11 672
LIABILITIES			
Current liabilities			
Trade and other accounts payable	13	3 513	8 122
Income received in advance	14	-	181
Provisions	16	2 395	1 938
Total liabilities		5 908	10 241
Net assets		244	1 431
Represented by:			
Accumulated surplus		244	1 431

HIGHLIGHTS 2009/10

- **JOB SAVING – IMPACTED ON MORE 18 000 JOBS**
- **CONTINUOUS IMPROVEMENT PROGRAMME – EXCEEDED TARGET BY 200**
- **PRODUCTIVITY TRAINING - 750 workers trained**
- **PRODUCTIVITY KNOWLEDGE – PRODUCTIVITY STATISTICS AND IMD REP**



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