

PRODUCTIVITY

APRIL 15 - AUG 16

Price Control is getting staff

FROM G. J. J. F. STEYN, Secretary for Commerce, Pretoria

IN THE article headed "Staff Crisis is Threat to Price Control" (Sunday Times, April 11) your statement that vacancies in the price control inspectorate have increased to 58 is incorrect. The number of vacancies has been reduced to 33.

Bearing in mind the general shortage of trained manpower and taking into account the salary scales, real progress is being made with recruitment. I do not believe my department is unique in so far as the number of vacancies is concerned.

And when you try to compare vacancies in the Price Control inspectorate with the current inflation rate, I would like to ask whether you regard price control as a solution to our problem of inflation? If the latter viewpoint is supported, how do you reconcile this with criticism of the allegedly increased State interference in the domestic economy?

There are 14 officers over the age of 50 doing inspections both under the Weights and Measures Act and the Price Control



Act. All are still fully active.

They are 17 price control inspectors who specialise only in price control inspections. But all the other staff of the regional offices of the Division of Weights and Measures are also fully experienced in and do price control inspections concurrently. Experience has shown that combining these two inspections reduces the unproductive use of manpower on duplicated services. This system has been in operation since World War Two.

The machinery to enforce price control is not in a parlous state and I have never used these words. Last year I obtained authority to create an additional 23 posts of inspectors. Twelve have been filled, and efforts to fill the rest are continuing.

However, price control inspections demand long hours and frequent absence from home. It is, therefore, not the type of work which appeals to many people.

Regarding an offer of help from the Housewives' League, the reasons for my inability to accept this were fully outlined in a letter to the league.

Regarding the statement that the East London office is without a supervisor and that the Johannesburg supervisor recently had a stroke, the East London post has already been filled and the supervisor in Johannesburg was temporarily absent on account of ill-health, but has resumed duty.

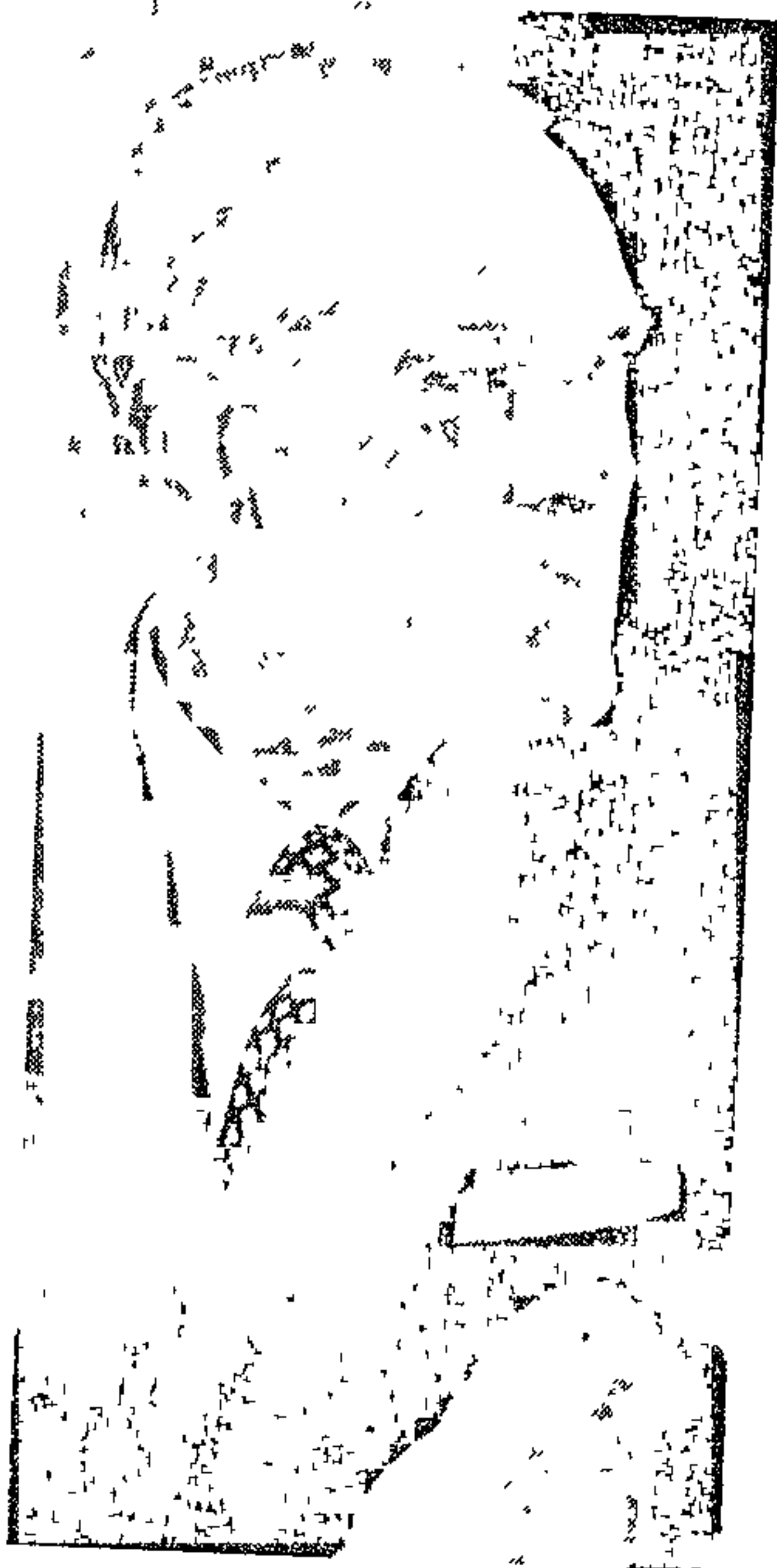
How many prosecutions, convictions and fines were there for price control offences in 1975? The figures are: prosecutions 2 975, convictions 2 323; fines R8C 251.

● This letter has been shortened.

PRICES F.M 25/4/75 (247)
Joep Steyn's strategy

"It is quite obvious that, under prevailing conditions of inflation, it is necessary for me to keep a watchful eye not only on controlled prices but also on prices not formally under price control"
 — Secretary for Commerce Joep Steyn.

That almost sounds like acceptance of the comprehensive prices policy which government has spurned in the past. Not



Joep Steyn . . . with the ultimate weapon

so, the Department of Commerce assures the *FM*

Pretoria is nevertheless determined to see its calls for "price restraint" heeded. In the same interview, Steyn revealed that the Public Service Commission is considering strengthening his Department's complement of price control inspectors.

There are presently 142 staff

(excluding Blacks) in the Department's Weights and Measures division. The Pretoria head office is supported by 14 regional offices.

Steyn hopes to increase the staff by 80, with nine new regional offices in towns such as Witbank, Newcastle, Queenstown and Upington. His aim is "more regular and more extensive" coverage so the Department can investigate complaints more thoroughly.

At present, there are four methods of "discouraging" excessive price increases.

- A formal notice in the *Government Gazette* placing a product under price control,
- Gentlemen's agreements with manufacturers (presently affecting 15 products from tyres to metal containers) either to get Steyn's approval or to consult him before hiking prices,
- Instructions to individual firms to roll back prices where the Price Controller finds increases to be unjustified. So far this has been applied in only one case; and
- Amicable negotiation between the Price Controller and the trader concerned, which often includes a detailed inspection of his books.

Clearly, Steyn hopes that, with a reinforced policing unit, enforcement measures (and threats of them) will be needed less frequently. But already most complaints are settled on an amicable basis, if only because traders are only too well aware of the ultimate price control weapon in Steyn's armoury.

Plan to boost growth and beat inflation

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STAR 12/5/75
Fanie Kruger
Industrial Editor

A two-pronged and comprehensive plan to foster economic growth and counter inflation through an all-out training and productivity drive, has been put to the Government by the National Development and Management Foundation.

Final touches to the proposals were recently put by the 60-member board of trustees of the NDMF, which is representative of the top echelons of the economic and administrative life of the country.

Some of the proposals have already been accepted.

Outlining the thinking behind the move, the president of the foundation,



Mr W F de la H Beck, president of the NDMF, "the country must have a co-ordinated anti-inflation and productivity campaign at all levels."

Mr W F de la H Beck, said, the foundation is committed to two related matters — the systematic uplifting of workers of all races under the programme "Operation Progress" and the promotion of effective measures against inflation.

The proposals submitted to the authorities are the result of intensive research

Mr Beck, who is also chairman of the Mobil group of companies, said, "It is imperative and urgent that all stops be pulled out to ensure adequate growth while keeping inflation in check,"

the recent findings of the Stellenbosch Bureau of Economic Research on growth expectations is "disquieting"

He stressed that inadequate growth will result in unemployment or underemployment of the vast labour force

Fiscal and monetary measures must play their part in curbing inflation but in the present environment these tools will merely bear on the effects on inflation, and so would price and wage curbs. Fresh approaches are needed.

UNIQUE

In the light of this, the NDMF trustees have taken a more fundamental approach aimed at overall increases of labour productivity and the use of plant, transport and other production facilities.

South Africa is in a unique position to fight inflation in view of some considerable under-utilisation of resources, Mr Beck said. Better use of labour requires systematic and planned advancement, adequate training and meaningful motiva-

tion and communication

"By the nature of its activities the NDMF is advising on and providing the management tools for these objectives," he said

"Business organisations that have systematically applied available techniques and approaches have in many cases achieved startling results, leading to improved remuneration and job satisfaction for workers of all race groups, and a reduction of costs"

Such approaches and measures must be applied over the entire spectrum in the economy. Just as in war-time, everyone must contribute to more effective work performance

Everybody must be involved in the fight against inflation — housewives, businessmen, workers, farmers, and officials, and

the way to do this is to have a co-ordinated campaign operating at all levels. In this effective labour use, productivity, anti-waste action and intelligent spending all play a part.

"The objective," says Mr Beck, "is peaceful progress, not only in our own country but in Southern Africa"

Multijob

Blacks

STAR

7/15/75

a success

De Beers Diamond Mines in Kimberley have significantly improved productivity by training Black workers to do more than one job.

Machine operators who previously did only drilling have been trained to drive scraper winches — putting them into a higher pay bracket and allowing a 30 percent reduction in the complement.

"Multitraining of workers is proving a great success in all areas of the mines and plants," said

De Beers officials in a paper delivered in Johannesburg today to the South African Institute of Mining and Metallurgy.

The paper, referred to the 1 000 out of the total Black work force of 2 550 who live permanently in Kimberley townships De Beers aims to phase out migrant labour in that area in particular.

"Local men are, in general, more advanced and sophisticated than migrant labour and they expect more job satisfaction," the paper pointed out. "They are not happy doing menial or purely manual work."

'Abandon labour apartheid'

STAR 29/5/75

Own Correspondent

DURBAN — The time had come for the "withdrawal of discriminatory labour legislation" which was hampering economic growth, said Dr H J J Reynders, Director of the Federated Chamber of Industries.

Apart from this, such laws induced despondency and frustration, which reduced productivity, and discouraged investment by entrepreneurs because of uncertainties caused by the restrictions.

Dr Reynders said "A continuous re-assessment is needed of social and legislative restrictions which hamper the more productive use of the total labour force."

Whites should accept the inevitability of the increasing economic integration in most parts of the country.

REQUIREMENT

The preparation of Blacks for greater participation in the economy was the first requirement for adequate future growth. This demanded the progressive abolition of job discrimination and more flexibly applied influx control.

On the part of the Black man, Dr Reynders said "He must shed traditional attitudes inimical to progress. He must accept the profit motive, shed his leisure preference, learn to save, not demand too much in too short a time and not fight with impatience for changes."

In a four-hour address to the Change Orientation and Planning Seminar of the Stellenbosch Graduate School of Business held in Durban, Dr Reynders repeatedly suggested that Blacks and Black policy held the key to the success-

ful future growth of South Africa.

But at the moment "Government policy restricts growth in South Africa."

Delegates were told that job reservation only affected three percent of South Africa's total labour force. Moreover the Government was turning a blind eye to infringements of the law.

Dr Reynders said the reason job discrimination had not been repealed was a political one because it was not the type of thing that could be announced on a political platform when votes were needed.

Referring to migrant labour, he said that, apart from its social effects, it also had a detrimental effect on productivity and could not provide a stable pool of workers that was needed by industry.

He said "A committee has been appointed to investigate the migrant labour system. What will happen, I don't know. I have my own ideas, but these I won't say in public."

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**NASIONALE
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The final report on productivity in the motor repair industry was published recently and has roused much interest, as the financial implications of a visit to the workshop have been felt by most people at some time or another

In the previous news letter it was announced that research had been carried out in several industries and that certain conclusions had been arrived at concerning the productivity in these industries

In this edition we are going to talk about the activities of the NPI which led to these conclusions and we will use the report on the motor repair industry as an example

The investigation was undertaken at the request of the South African Motor Industry Employer's Union in order to ascertain the productivity level currently prevailing in this industry

The NPI approach to such an investigation has two aspects —

- The NPI on its own cannot increase productivity, only the combined efforts of management and the workforce can do this. Consequently co-operation between these two groups must be obtained and this is done by creating a project pilot committee on which both the management and the organised labour force are represented, as well as individuals who may be able to contribute, because of the specialized knowledge in the technical field concerned



Mr Francois Morkel, leader of the motor repair industry advisory team, discussing a diagnostic procedure with a technologist at one of the workshops participating the productivity improvement program

- Secondly, it is vitally important that the report be scientifically correct and give an objective picture of the situation prevailing in the industry concerned at that time

In order to achieve this aim, companies representative of the industry are selected. In making the selection the following points are taken into account

Number of employees

Type of work

Capital investment

Agency held (if any) i.e. America, United Kingdom, Japan, etc

Productivity performance

Turnover

The NPI team visited 39 garages throughout the country to determine the productivity level and the factors influencing it

Under the direction of the project pilot committee all matters concerning finance, personnel and production were examined comprehensively and the operation of the workshop and general management practices were studied in detail

The nature and extent of this study as stipulated above, made it necessary for the NPI investigation team to be multi-disciplinary which meant that the team had to consist of persons trained in management, industrial engineering and industrial psychology

Naturally there was no obligation on the part of any garage to co-operate with the NPI. However, every garage that did co-operate, was given a consultation report free of charge, containing the findings and recommendations of the investigation team concerning the particular garage. Subsequently a complete and covering report was compiled, based on individual reports and was published after approval by the pilot committee

As certain enterprises could derive a competitive advantage if any information was divulged by the team from one garage to another, all information is treated as strictly confidential, is not given to outsiders, or even to the project steering committee. If it is necessary to refer to individual concerns in these reports, it is done only by means of code numbers

WORKSHOP PRODUCTIVITY

Two different methods were used to measure the productivity of the workshop, viz

- Random Observation Study
- Calculations based on business records kept by the concerns

The reason for using two methods is to enable the NPI to check the validity of the one method by comparing it with findings obtained from the other method

Random observation study

The activities of mechanics, apprentices and workshop assistants were observed in order to determine how a working day was spent

At set times scientists of the NPI made observations in the various workshops. These observations lasted approximately one hour each and were repeated at different times of the day and on different days of the week

This ensured that all possible workshop conditions were observed, viz peak days and peak times, as well as days on which the work program was not so busy

It was important to obtain a very clear definition of *productive work*. It included all the activities of mechanics and apprentices, either on the car or on the work bench

The activities of workshop staff were subdivided into three categories, viz

- productive work
- supporting work and
- no work

From these observations it appeared that the company which utilised its workers most efficiently, used them productively for 68,8% of the available working time, compared with 36,39% for the least productive company

In order to obtain a productivity yardstick, this figure was subsequently adjusted by making allowance for work rate, breaks and reasonable time taken up in obtaining tools and spare parts

When these adjustments were made to the above figures, the best workshop obtained a productivity figure of 89,51% and the least productive 35,66%

Productivity calculated from records

The index generally used in this industry to measure productivity, is expressed by the ratio

$$\frac{\text{Number of hours sold}}{\text{Number of hours bought}}$$

The average productivity calculated according to this method amounted to 128%

This meant that the industry already exceeded the desired productivity of 100%

There are however, certain limitations to this ratio, viz

- The practice followed by any particular garage in respect of flat rate times
- The manner in which idle time is booked
- The effect of work for which no flat rates exist
- Incorrect flat rate times

Application of the above corrections resulted in the ratio of 128% being reduced to 41%

All in all it appears that the productivity of the industry, calculated according to the two above methods, presents the following picture

- | | |
|------------------------------|-------|
| • Random observation studies | 49,7% |
| • Calculated productivity | 41,0% |

In view of the fact that the random study did not take into account the work method, it is reasonable to conclude that there is very close accord between the two methods

Considering the picture emerging from this survey, it appears that the average productivity can be doubled, given improved procedures and good management

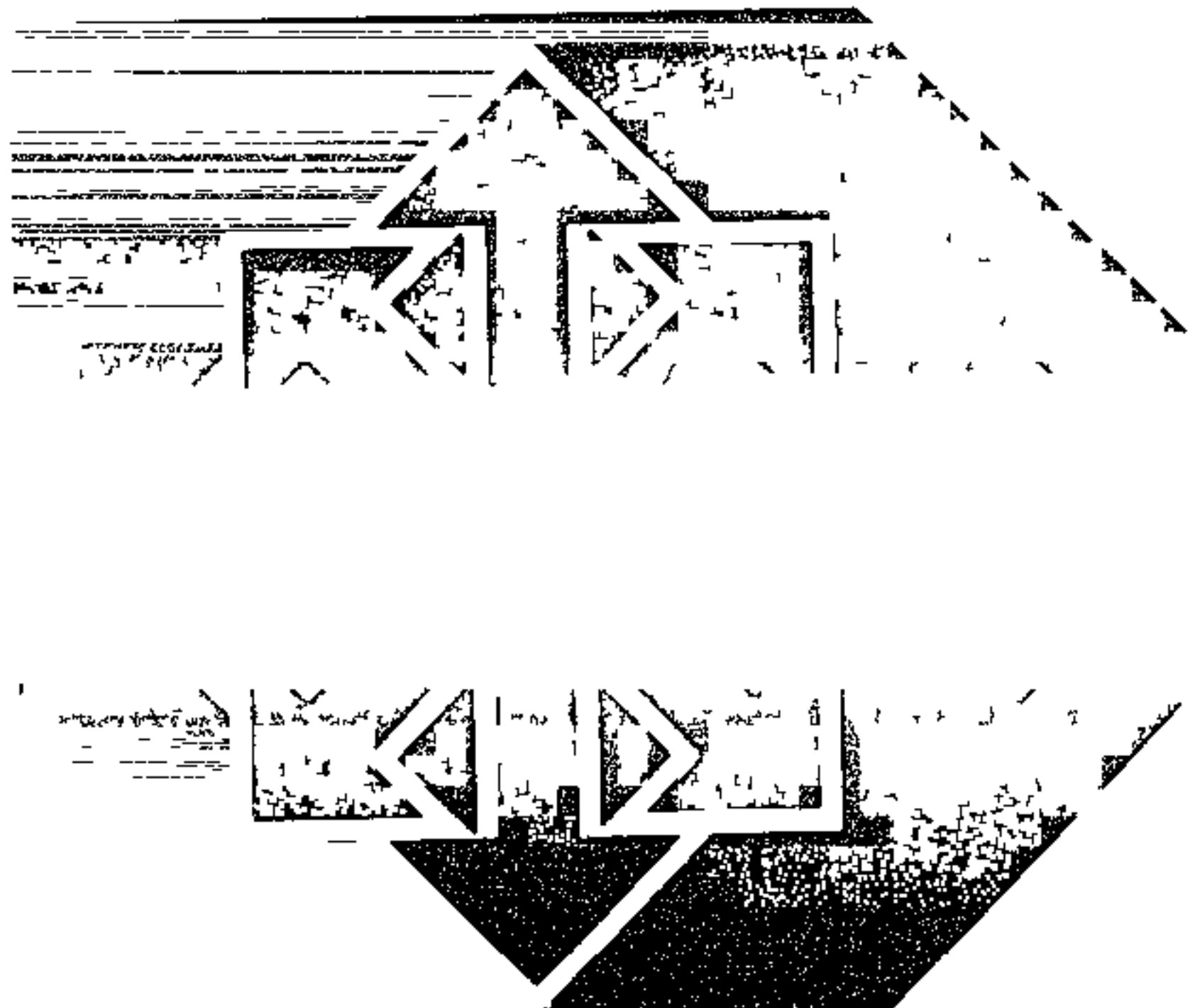
The principle explained in the previous news letter is very well illustrated here

It is the task of the management to increase productivity. Increasing productivity does not necessarily mean becoming a slave driver. It does not mean that the mechanics have to work harder as the productivity figure has a built-in scientific allowance, leaving the worker enough time for rest and personal needs. In reality this means the workshop must be organised in such a way that it enables the mechanic to be more productive in terms of the recommendations contained in the report

It is also interesting to note that generally no criticism can be levelled at the workmen. Throughout the study a

The mobile low cost automation unit is equipped with all equipment necessary to simulate the various manufacturing situations





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Die finale verslag aangaande die produktiwiteit in die motorherstelbedryf het onlangs die lig gesien en het wye belangstelling uitgelok, waarskynlik vanwee die feit dat 'n ieder en elk se sak een of ander tyd deur 'n besoek aan die werkswinkel aangetas is

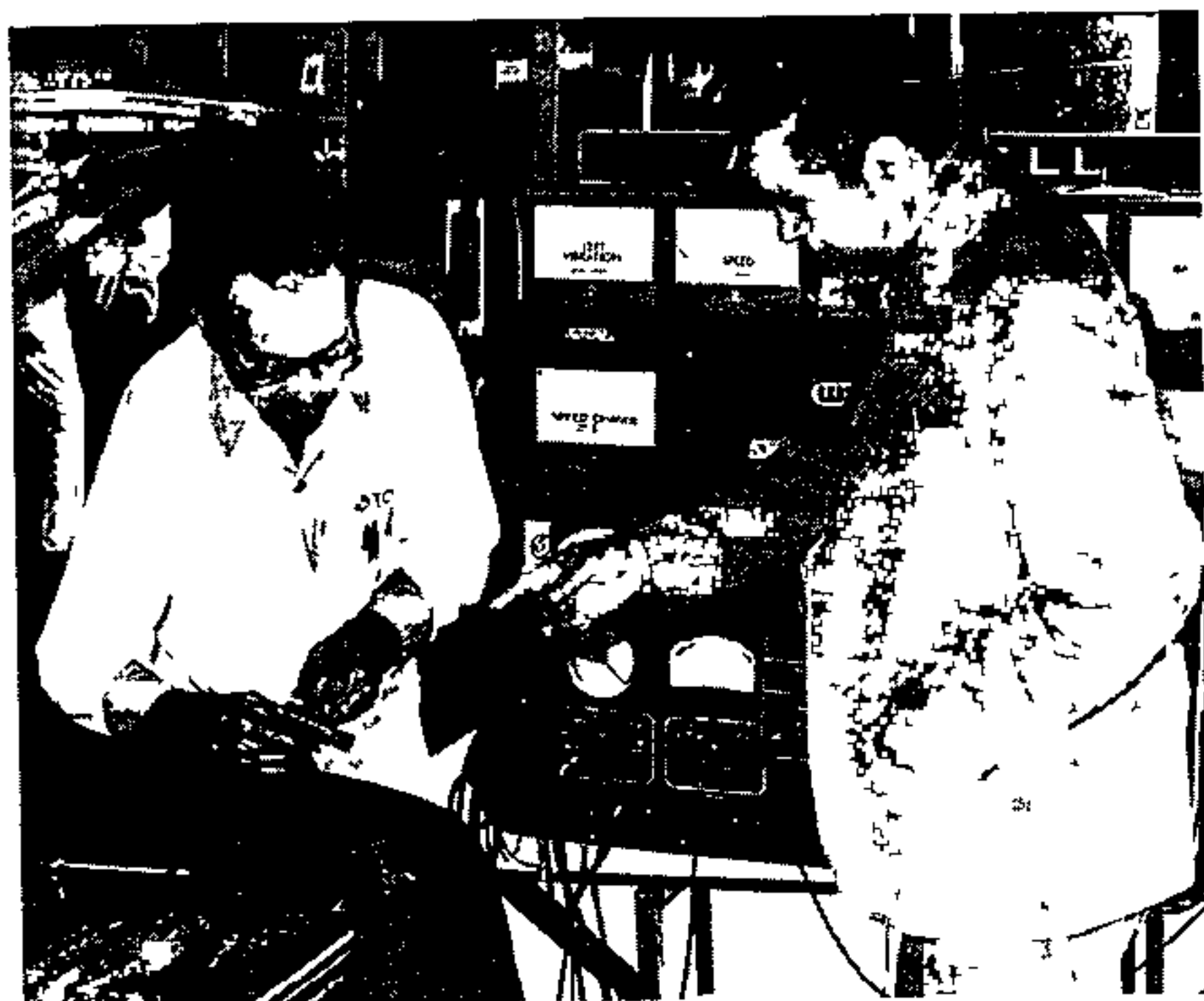
In die vorige nuusbrieff is gemeld dat ondersoek gedoen is in verskeie bedryfstakke en dat sekere gevolgtrekkings gemaak is aangaande die produktiwiteit van hierdie bedrywe

In hierdie uitgawe gaan ons meer vertel oor die NPI se werksaamhede om by hierdie gevolgtrekkings uit te kom en die verslag oor die motorherstelbedryf gaan as voorbeeld geneem word

Hierdie ondersoek is aangepak op versoek van die S A Motornywerheid Werkgewersvereniging om ondersoek in te stel na die produktiwiteitspeil wat in die bedryf geld

Die uitgangspunt met so 'n verslag van die NPI is tweeledig van aard

- Eerstens kan die NPI op sigself nie produktiwiteit verhoog nie — slegs samewerking tussen die bestuur en arbeid kan dit bewerkstellig. Gevolglik moet samewerking tussen hierdie twee groepe verkry word en dit word gedoen deur 'n projekloodskomitee te stig waarop beide die bestuur en die georganiseerde arbeid verteenwoordig is, sowel as individue wat moontlik 'n bydrae kan lewer vanwee hul besondere kennis van die vakgebied



Mnr. Francois Morkel, leier van die motorhawe-adviesspan, besig om 'n diagnostiese prosedure te bespreek met 'n tegnikus by een van die motorhawens wat deelneem aan die produktiwiteitsverbeteringsprogram

- Tweedens, is dit van kardinale belang dat die verslag wetenskaplik verantwoord moet wees en 'n objektiewe beeld moet gee van die situasie wat op daardie tydstip in die betrokke bedryf geld

Om hierdie doelstelling te verwesenlik, word verteenwoordigende ondernemings in daardie bedryfstak gekies. In die keuse van die ondernemings word die volgende o a in ag geneem

Getal werknemers
Tipe arbeid
Kapitaalbelegging
Agentskap wat hanteer word (indien enige) bv Amerika, Verenigde Koninkryk, Japan ens
Produktiwiteitsprestasies
Omset

Om nou die produktiwiteitspeil en die faktore wat dit beïnvloed te ondersoek, is 39 motorhawens regdeur die land deur 'n span van die NPI besoek. Onder leiding van die projekloodskomitee is alle finansiële, personeel- en arbeidsaangeleenthede omvattend ondersoek en is 'n gedetailleerde ondersoek van alle werkswinkel-aangeleenthede en algemene bestuurspraktyke uitgevoer

Die aard en omvang van die studie, soos bo uiteengesit, vereis dat die NPI se ondersoekspan multidissiplinêr saamgestel moet wees en derhalwe het die span bestaan uit persone wat in bestuurswese, bedryfsingenieurswese en bedryfsielkunde opgelei is

Uit die aard van die saak het geen motorhawe onder verpligting gestaan om met die NPI saam te werk nie. Iedere motorhawe wat egter saamgewerk het, het 'n gratis konsultasieverslag ontvang waarin die ondersoekspan se bevindings en aanbevelings vir daardie betrokke motorhawe vervat is. 'n Volledige en oorkoepelende verslag is vervolgens opgestel wat gebaseer is op hierdie reeks afsonderlike verslae en is na goedkeuring deur die loodskomitee gepubliseer

Omdat sommige ondernemings 'n mededingingsvoorsprong kan behaal indien inligting aan konkurrente uitlek, word alle inligting as hoogs vertroulik deur die ondersoekspan hanteer en word geen inligting aan buitestaanders of selfs aan die Projekloodskomitee bekend gemaak nie. Indien dit nodig is om na afsonderlike ondernemings in hierdie verslae te verwys, word dit slegs by wyse van kodenommers gedoen

WERKSWINKELPRODUKTIWITEIT

Twee verskillende metodes is gebruik om werkswinkelproduktiwiteit te meet, t w

- Multimomentstudies
- Berekenings gebaseer op bedryfsrekords wat in ondernemings bestaan

Die rede waarom twee metodes gebruik is, is dat die NPI die geldigheid van die een metode kontroleer deur dit op te weeg teen die bevindings wat met 'n ander metode verkry is

Aktiwiteitsmonsternemingstudies

Die aktiwiteite van werktuigkundiges, vakleerlinge en werkswinkelassistente is waargeneem ten einde hulle werksdagverdeling vas te stel

Die wetenskaplikes van die NPI het op gesette tye waarnemings in die onderskeie werksinkels gedoen. Hierdie waarnemings het ongeveer een uur elk geduur en is op verskillende tye van die dag en verskillende dae van die week herhaal. Hierdeur is verseker dat alle moontlike toestande in die werksinkel waargeneem is, nl. besige dae en besige tye, sowel as dae waartydens die werksprogram nie so druk was nie.

Dit is belangrik om 'n baie duidelike definisie te hê van wat bedoel word met *produktiewe werk*. Hierdie werk het alle aktiwiteite van werktuigkundiges en leerjongens ingesluit wat op die motor of op die werksbank uitgevoer is.

Die aktiwiteite van werkswinkelpersoneel is in drie kategorieë ingedeel nl.

- produktiewe werk
- ondersteunende werk en
- nie werk nie

Uit hierdie waarnemings het dit geblyk dat die maatskappy wat sy werklui die beste benut het, hulle produktief gebruik het vir 68,8% van die beskikbare werkstyd, teenoor 36,39% kapasiteitsbesetting van die swakste maatskappy.

Om 'n produktiwiteitsmaatstaf te verkry, is hierdie syfer verder gekorrigeer vir die werkstempo en toelatings vir rustye en tyd wat rederlikerwys in beslag geneem word om gereedskap en onderdele te verkry.

Wanneer hierdie aansuiwerings gedoen is op bogenoemde syfers, behaal die beste werksinkel 'n produktiwiteitsyfer van 89,51% en die swakste 35,66%.

Berekenings (Gebaseer op rekords wat in die ondernemings bestaan)

Die indeks wat algemeen in die industrie gebruik word om produktiwiteit te meet, word uitgedruk deur die verhouding

$$\frac{\text{Aantal ure verkoop}}{\text{Aantal ure gekoop}}$$

Die gemiddelde produktiwiteit wat volgens hierdie metode bereken is, het op 128% te staan gekom. Dit beteken dat die industrie reeds die verlangde produktiwiteit van 100% oorskry.

Daar is egter sekere beperkings aan hierdie verhouding verbonde, nl.

- Die praktyk wat deur 'n besondere motorhawe gevolg word t o v vaste tarieftye
- Die manier waarop ledige tyd in berekening gebring word
- Die effek van werk waarvoor vaste tarieftye nie bestaan nie
- Onakkurate vaste tarieftye

Indien die korreksies ooreenkomstig die beperkings hierbo aangebring is, het dit die gemiddelde syfer verlaag tot 41%.

Opsommend blyk dit dat die industrie se produktiwiteit, bereken volgens genoemde twee metodes, soos volg daar uitsien,

- | | |
|----------------------------|-------|
| • Aktiwiteitsmonsterneming | 49,7% |
| • Berekende produktiwiteit | 41% |

Omdat die werksmetode nie by eersgenoemde berekening in aanmerking geneem is nie, is dit redelik om die gevolgtrekking te maak dat 'n baie noue ooreenkoms tussen die twee metodes bestaan.

Wanneer al die motorhawens beskou word, blyk dit dat die produktiwiteit gemiddeld verdubbel kan word.

Die beginsel vervat in die vorige nuusbrief kom hier duidelik na vore.

Dit is die taak van die bestuur om produktiwiteit te verhoog. Om produktiwiteit te verhoog, beteken nie nood-

Die mobiele lae-koste outomatisasie eenheid is toegerus met al die nodige apparaat om verskeie vervaardigingsituasies na te boots.



Car industry man attacks 'prejudice'

Cape Times

6/6/75

Motoring Editor

MR R G DU PLESSIS, director of the Motor Industries Federation, said that the press, the Automobile Association and the SA Co-ordinating Consumer Council are "clearly prejudiced against the motor trade".

Writing in the latest issue of "Automobil" Mr Du Plessis mentioned the wide adverse publicity on the garage trade which followed the recent publication of the report of the National Productivity Institute on the productivity of the motor repair industry.

He said that this once again "demonstrated clearly the measure of prejudice against the motor trade which exists in the minds of the press and organizations such as the AA and SA Co-ordinating Consumer Council.

CONDITIONS

"The press boldly announced the existence of 'scandalous' conditions in the motor repair trade, while both Messrs Roelofse of the SACCC and Turk of the AA will deny the garage operator a reasonable return on the sale of petrol because of their gross 'inefficiency' as revealed in the NPI report."

Mr Du Plessis said that at a press conference in Johannesburg on April 14 to which the AA was invited, NPI spokesmen revealed that they had carried out similar investigations into other sectors of the economy and that the level of productivity in the motor trade was certainly no worse than that found in other industries.

The reports on the other investigations had been released in the same way as the report on the motor repair trade — but never a word was said either by the press or anybody else.

Mr Du Plessis said that the SAMIFA should have been praised for its "en-

dard of efficiency, workmanship and productivity in the repair trade" for the survey had been carried out at the request of the association which, incidentally, had never failed to acknowledge that there was room for considerable improvement in the industry.

"We knew full well that the NPI was eminently qualified to prescribe the cure.

"That is precisely what has been done and is being done. For that the SAMIEA and the trade deserve credit — not carping criticism from the ill-informed."

FOOTNOTE. The Motoring Editor writes: The report to which Mr Du Plessis refers is the Productivity of the Motor Repair Industry in South Africa, conducted by the National Productivity Institute during 1973/1974.

The 122-page report was released to the press in April. One of the findings was that the average motor mechanic spent half his day waiting for parts, tools and orders and walking around.

CHALLENGED

The article which appeared in the Cape Times was based on the report. The facts in the report have never been challenged, though it has been denied that the public paid for the wasted time.

For Mr Du Plessis to say that the newspaper reports were "carping criticism from the ill-informed" is ridiculous. This newspaper's article was based on a report which took experts two years to compile. The chairman Mr G Anderson, said in his foreword that criticisms were made "with a sincere

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industry

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'25pc C.T.
11/6/75

efficient'

WHILE the National Productivity Institute had recently revealed that the motor repair industry had a productivity factor of 50 percent, a further study claims that the effective productivity is only 25 percent.

Mr H Keith van Heerden, managing director of SA Value Engineering (Pty) Ltd, who is to conduct a five-day seminar in Cape Town from June 16 to 20 on value management, has claimed that while the NPI said that the analysis they made showed productivity to be 50 percent, supporting activities 25 percent, and idle 25 percent the 50 percent productivity mentioned was in fact halved by several factors

These were the wrong work done due to incorrect diagnosis, rework due to below-standard repairs, inefficient methods and application and necessary work left undone on previous occasions.

"Don't point a finger at the motor industry Everyone, from the lowest-paid worker to the highest paid, is busy doing useless and unnecessary things and getting paid for it."

Bosses irked by training costs

249

W/E ARGUS

(Bus Arg)

14/6/75

Financial Staff

AS WAGES go up, productivity frequently goes down, according to Mr. Toni Kedzierski, the Coloured Development Corporation's manager of personnel and training.

During 1968-69 earnings increased by 5,6 percent, while productivity rose 4,1 percent. In 1970-71 wages rose 10,1 percent and productivity only 1,4 percent.

The declining trend, shown in these figures from the Institute of Personnel Research, has not changed, he says.

Following factory strikes in Natal, companies raised wages while the desire to train workers better had a 'bandwagon effect'.

Firms rushed into package-deal training without considering the cultural and educational background of the individual worker.

The best way to raise productivity meant a complete analysis of each job, which took time and developing the individual to his potential.

Industrialists were now disgruntled about the cost of training and poor results and as a result were now looking to more mechanisation to save labour costs.

But people with a social responsibility asked: What is the good of reducing the number of jobs in this country?

Dr. J. D. Jones, Cape Town executive of the Clothing Industry Productivity Association, said the organisation had surveyed several member companies to find areas where efficiency was being lost, the amount of improvement possible and the action needed to achieve improvements.

Productivity increases of 20 percent or more were being achieved by the application of straightforward techniques.

One of the most effective was the re-examination of machining and sewing techniques, which were often left behind in times of rapid growth and high demand.

Activity sampling was another useful tool, particularly for showing up losses in the production system.

These techniques required practically no capital investment or expense and little sophistication — only commonsense and purpose, said Dr. Jones.

One large clothing company had a 44 percent increase in output from the same labour force after a study of working methods, said Mr. L. A. Repler, senior productivity analyst of

the National Productivity Council.

Other manufacturers had made improvements of up to 50 percent since a productivity unit was formed by the industry a year ago.

Mr. P. Swart, a personnel manager, estimated that 91 000 newcomers would have to be trained by 1985. About 70 percent of all training would need to be directed at the semi-skilled and skilled operator level.

Notulmny 14/6/75

Report by African Institute

Flaws in survey on Black worker

SOUTH Africa's most crucial labour problem lies with the "enormous growth rate" of the Black population, says a study on the Black Worker of South Africa released by the African Institute recently.

The publication that carries this statement professes to be objective and free of political bias, and many of its conclusions are both lucid and valid.

It is also, however, curiously uncritical of Government policy and legislation and of the White attitudes that shaped labour laws and practices. This flaw has significantly diminished the objectivity of this study by Dr. G. M. E. Leistner and Dr. W. J. Breytenbach.

Explaining the "distances" between Africans and the rest of the country's peoples, the authors find a dualism "typical" of the rest of Africa without pointing out that the "distances" in African countries tend to be related to natural abilities and opportunities rather than race differences.

DUALISM

The dualism in South Africa has been artificially perpetuated by law and law sanctified social attitudes.

Dualism, it has been said, exists because of a deliberate policy of non-incorporation of the Black population.

Discussing the evolution of the labour pattern, the authors contend that the operation of market forces "came, in some measure, to be replaced by the convention that a White man's wage was usually five to ten times the wage of a Black man."

The study then states South Africa's labour

history is largely a struggle to replace this convention by a pattern of remuneration and employment that reflects actual achievement while at the same time preserving industrial peace."

However, several noted academics, both here and abroad, have found South Africa's labour legislation to be among the most repressive in the world.

In fact, in terms of the Industrial Conciliation

could have been done in the field of education and training to expedite occupational change is a moot point."

Quite apart from the fact that the authors seems to contradict this conclusion later, they make no mention of the philosophy behind Bantu Education as enunciated by Dr. Verwoerd in the '50s.

Then Minister of Native Affairs, Dr. Verwoerd said Africans

By TIM MUIL
African Affairs Correspondent

Act, the African has no standing as an "employee" and therefore has none of the protection which is normally afforded an employee.

The Department of Labour which one could expect, not unreasonably, to protect the unrepresented worker, is primarily concerned with acting as an employment agency for industry.

Industrial peace is a euphemism for the priority given to White workers which has created a White working aristocracy, and for a situation maintained by law, custom and force.

The slim book notes that the Black population has had too short a time to develop the "occupational pattern typical of technologically more mature nations."

The authors then claim: "Whether more

should not be educated above their expectations, and in White communities there was no place for Africans above the level of certain forms of labour.

Later, while they show that job reservation "potentially affects only an estimated 2.9 percent of the country's labour force," they do not mention the job reservation created by inferior education, poverty, the social problems created by township congestion and by the difficulties of training migrant workers.

At the same time Dr. Leistner and Dr. Breytenbach give the impression that White trade unions are holding the country to ransom.

They do not, however, point out that the White unions are integral to the White power establishment and that the Government has been

highly responsive to them. White unions have helped to shape the Government's stance and hence legislation.

Turning to wages, the authors contend that the wage disparities stem from a skills disparity. While justifiably adding that nobody should be paid more than he is worth in terms of productivity, their argument implies no political or racial element in the current wages gap.

Other academics believe that the disparity in earnings does have a racial factor, and it was pointed out recently that in Europe and the United States the unskilled to skilled wage ratio was about 1½ to 1. This book quotes figures of 3.18 to 1 for Whites and Blacks who are both unskilled.

In effect this study is saying that because the average White earns 5½ times more than an African, he is 5½ times more skilled. There are hosts of reasons for not having skills, and the authors themselves concede that most Whites are overpaid.

EDUCATION

A noted sociologist argued recently that to use productivity in the wages debate is ill-advised.

He noted that in a survey in Durban among 100 large firms it was shown that where Blacks replaced Whites, 55 per cent of the firms had increases in productivity and efficiency compared with a mere ten per cent that had decreases.

In their chapter on Black education, the authors show what is being done — and there is much — but provide no comparisons between African and White education.

They do not, for instance, show that the average amount spent educating Whites is about R480 a year while

that for each African about R27. While they enumerate the trade and technical schools available for Africans they do not show that the four times smaller White population has about eight times more technical and trade schools and colleges.

Finally, the African Institute's review on the book's dustjacket depicts the "simplistic view of the situation taken by journalists," but the study has no fewer than 31 Press references and quotations.

SA ceramic

factory

achieves

peak output

(249)

U 42
2 16
3 17
(4) 173

Industrial Report
Technical knowledge, derived by the study of the German industry put in production by 670 African and 50 French workers in the Huguenot porcelain factory at Sèvres, France, with excellent results.

Whereas the average output per production unit for fine household ceramics elsewhere in the world is about 100 tons a year, Huguenot has been producing 1,000 tons a year since the end of 1953.

The annual production comprises 1,700 tons of porcelain of which 1,500 tons are regularly sold. The value of output is 200 million francs a year. The factory is now up to standard.

It is broadly estimated that the manufacturing process of porcelain is 50 per cent from the clay in the finished product and 50 per cent from the 200 tons of waste.

SIZE

The size of Huguenot's labour force — which carries 60 per cent of the overall costs of the production plant — does not differ significantly from units of the same size. The output of the factory is determined by the number of kilns available. In Huguenot, the average output is 1,000 tons a year is the maximum controllable production.

out the week and all through the year — apart from maintenance periods. Huguenot's electricity bill, which has been 12,000 a month, but is expected to rise to 13,200 when the new rates become effective.

The works manager and head of the factory, Mr. Arno Friewald, 41, was seconded to the position in 1953 by Joseph Rosenthal in Germany.

Rosenthal does not own any shares in Huguenot or its holding company, Commercial Cofra. He is a Frenchman who supplies technical knowledge under contract on a regular basis.

He would not be surprised by high production maintained by instilling productivity and a sense of work. This is not achieved through an incentive scheme — which he does not believe in.

Rosenthal's workers are all divided into teams which are led by team leaders. The team leaders are about 50, report to departmental foremen, or, in some cases, which, in turn, have regular meetings with the production officer. Mr. Friewald foresees a pattern emerging at the factory where African workers who are trained in the skills of ceramics will one day pass down to their children — much as happens in Europe.

Car firm to fight rising costs

Cape Times 7/8/75

By BRIAN GROBBLER, Motoring Editor

RECOMMENDATIONS by the National Productivity Institute on how to cut motoring costs will be implemented by Volkswagen in South Africa and its more than 200 dealers throughout the Republic.

Announcing this at a motoring press conference in Cape Town, Mr. Noel Phillips, managing director of Volkswagen, one of the country's major manufacturers of motor vehicles, said his company had accepted in full the 112-page report of the National Productivity Institute. It intended implementing the recommendations for greater workshop efficiency as part of a programme to combat increasing costs.

Mr Phillips said: "Improvement in management procedures and systems can considerably boost the efficiency and productivity of our dealer workshops and thereby arrest the increasing costs of service with obvious benefits to the customer."

Mr Phillips said the first step would be to extend the warranty on all new VW vehicles from six to 12 months, irrespective of distance covered.

PARTS

VW's sales director, Mr Peter Searle, said the programme will also see the introduction early next year of a less expensive line of replacement parts. "Indications are that these parts will be on average 15 percent less than those currently obtained from Germany."

Volkswagen also operates a reconditioned parts exchange system and Mr Searle said this operation will be stepped up.

More important will be the stepping up of workshop productivity on the lines recommended by the NPI. "At the VW dealership where the NPI's recommendations have been on trial over the past nine months, both productivity and customer satisfaction have increased measurably."

Price

Control

SAFETY

is a

way

of life

THERE IS considerable alarm in business circles over the latest wave of threats by the authorities to extend price control — almost as if the very idea is un-South African.

Few people realize just how extensively price control has already been built into the South African economic system

In an article in a recent edition of Purchasing South Africa, the Secretary for Commerce and Price Controller, Mr Joep Steyn, lists 100 different categories of items subject to price control. The exact number of items may well run into many thousands

Mr Steyn concedes the importance of private initiative and profit as major driving forces for production and productivity, but says "price control is only applied in those cases where the free play of market forces is not capable of establishing a healthy balance between the demand and supply of goods and services"

Mr Steyn points out that there are three different

types of price control in terms of the Price Control Act. These are:

● Prescription of specific maximum selling prices, such as with margarine, sugar and coal

● Prescription of maximum gross profit margins, such as with fencing materials, firearms and ammunition.

● Freezing of prices at the levels prevailing on a specific date, such as building materials, household appliances and agricultural machinery.

Apart from the statutory control, the Price Controller may conclude voluntary agreements with specific manufacturers, or specific groups of manufacturers on an industry basis

This is done fairly broadly, and examples include anthracite, coke, galvanized steel tubes, glass containers, metal containers, petrol and power paraffin, pharmaceutical products, tyres and tubes, wattle extract and fishmeal.

Moreover, the prices of agricultural commodities are

LEON KOK

controlled by the Agricultural Marketing Act. Examples include bread, wheat, flour, meal, butter and cheese.

How do the authorities go about setting controlled prices?

Mr Steyn says the historical level of the profitability of the applicant (the firm or industry affected) is first determined. This usually covers the previous three or four years.

A reasonable rate of return on capital employed in the production or distribution of the commodity in question, before tax and interest on loans, is determined

The next step is to compare the level of profitability which the applicant has achieved during the historical period with the level to which profitability will drop if the applicant alone has to carry the burden of a price freeze.

The extent of price control therefore depends on the calculated minimum profitability

regarded as essential to ensure the viability of the applicant

Mr Steyn says the profitability criterion is applied with discretion. The authorities are aware that price control, if applied injudiciously, could easily stifle economic growth by discouraging investment

"In the calculation of the rate of return on total capital employed, the need for new investment for the expansion of production capacity is, therefore, also taken into account.

"Furthermore, provision is made for additional appreciation to ensure the applicant can replace his current machinery and equipment (excluding land and buildings) at the higher prices usually prevailing after the expiry of their normal lifetimes.

"In determining the rate of return on capital, attention is also given to factors such as the nature of the product, the competitive position of the relevant firm, the ratio between the applicant's own risk capital and loan funds employed,

as well as the risk attached to the investment in question"

Mr Steyn says it is difficult to give an indication of the extent to which price control has checked price increases, since it is not known to what extent these prices would have risen in the absence of price control

"However, the official statistics during recent years show that, generally speaking, the prices of controlled goods and services have increased at a lower rate than the prices of uncontrolled goods and services."

He adds that "users of those controlled commodities which constitute important inputs for a large part of the industrial sector have also derived positive benefits from the application of price control

"They have been able to secure their requirements at relatively favourable prices, thus keeping their costs of raw materials down and enabling them, in turn, to restrain price increases, in respect of the products manufactured by them"

Do wages buy productivity?

Ivan Philip

Wages of assembly line workers in South Africa's motor industry have been rising steadily in the past three years in response to the rising cost of living and, perhaps, also to mounting pressure for better pay and living conditions for the Black people.

Parallel with the rise in basic wages have been fringe benefits ranging from three-course lunches at 8c to subsidised general education and even housing schemes.

Again, consultation between labour and management, through liaison committees, has increased enormously.

The question remains — have these benefits fed back to the manufacturers and, through them, to the consumer in terms of

increased productivity?

And the answer the manufacturers give is a guarded yes. Guarded because just increasing wages does not automatically boost productivity without intensive training to make it possible for a

The Prime Minister has called for a halt to the wages and prices spirals. Ivan Philip looks at the motor industry — a fairly typical example of how both have risen in tandem.

worker to produce more — and guarded because a strong initial improvement appears to have tailed off.

Mr Bob Devlin, industrial relations manager of Motor Assemblies in Durban, told of a campaign to lift basic wages in line with increasing living costs that began in July 1972 and has succeeded in bringing these two factors into line.

The minimum wage for an unskilled recruit at the bottom end of the scale was 22c an hour at the beginning of the campaign. Now it is 57c.

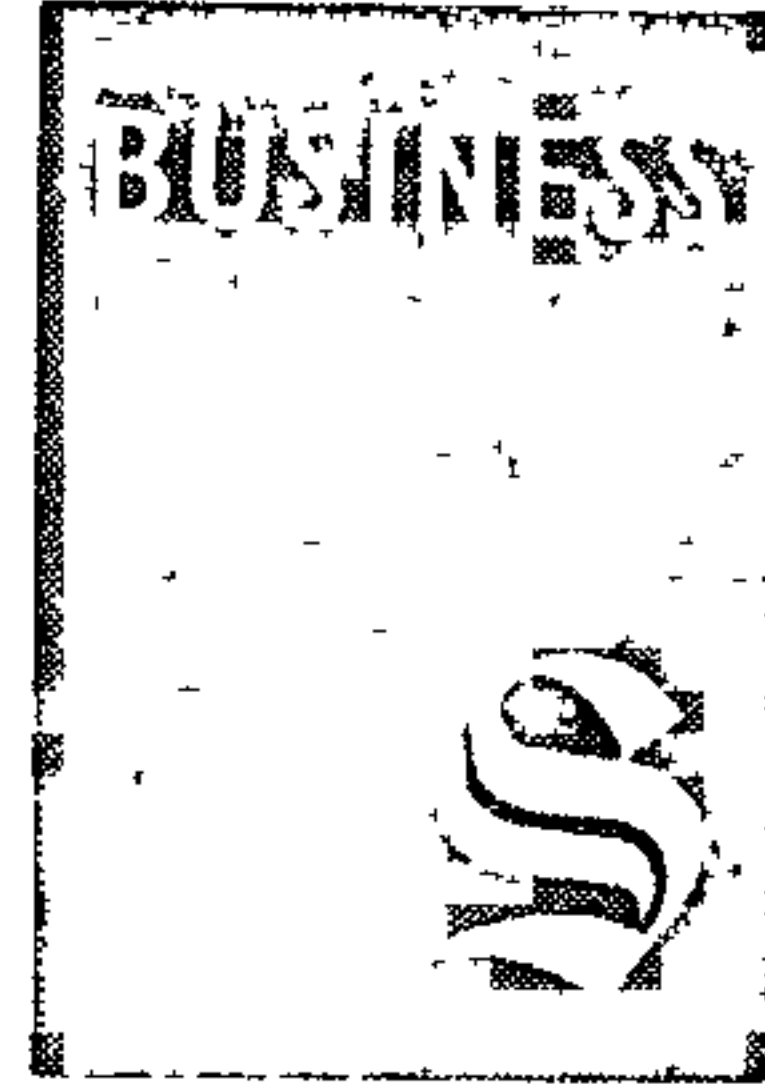
But what happened to productivity? For 18 months, till the end of 1973, it rose steadily, nearly keeping up with wages. Then it levelled off and is now trailing far behind the steeply climbing wage line.

General Motors in Port Elizabeth felt that they have had good response from their mostly Coloured workers.

Director of personnel, Mr R J Ironside, said their policy was equal pay for equal work, and equal opportunity for all. The company has boosted the minimum wage to 63c an hour.

Then, significantly, he said. "We had our best year ever on productivity and quality in 1963."

It seems 1963 was the magic year. Things peaked out then. And it is hard to avoid the conclusion that, from that point on,



the South African motorist has been paying the bill for each wage hike.

But then it is hard to push productivity beyond a certain point in the South African industry because of a relatively low level of automation.

This apparent backwardness does not in fact reflect on the technical prowess of the local industry, but is rather a reflection of economic reality.

Automation in the motor industry is enormously costly and can only be justified by long production runs geared to a massive market. South Africa has short runs geared to a modest market. We also have a lot of different models — which is what the Government keeps saying.

It is beginning to look as though South African motorists will have to come to terms with the inevitable.

If they want a wide choice of models and fair wages for the industry's workers they are going to have to pay more for their cars than other people do in other countries where the market is bigger.

① 334
② 249
③ 192

'Boost productivity' call to industry

STAR 8/9/75

249

A firm's profit is not necessarily a yardstick of its productivity, says Mr Jan Visser, director of the National Productivity Institute.

He believes South Africa could strike a hard blow at inflation if every employer looked anew at his firm's productivity and every worker threw his full weight behind employers' efforts.

How does a firm increase its productivity?

"The first step is to measure the existing level of productivity," Mr Visser said.

"Any employer seeking guidelines is welcome to approach us for ways of measuring productivity and establishing priorities for improvement."

Depending on the outcome of productivity measurements, firms might identify priority areas as

● Production planning and control

● Prevention of absenteeism

● Reduction of labour turnover

But it was necessary to look at all production factors — men, management, machinery and materials — as an integrated system, Mr Visser said.

The employer should take the initiative and provide the framework for increased productivity, but it was up to the worker to respond.

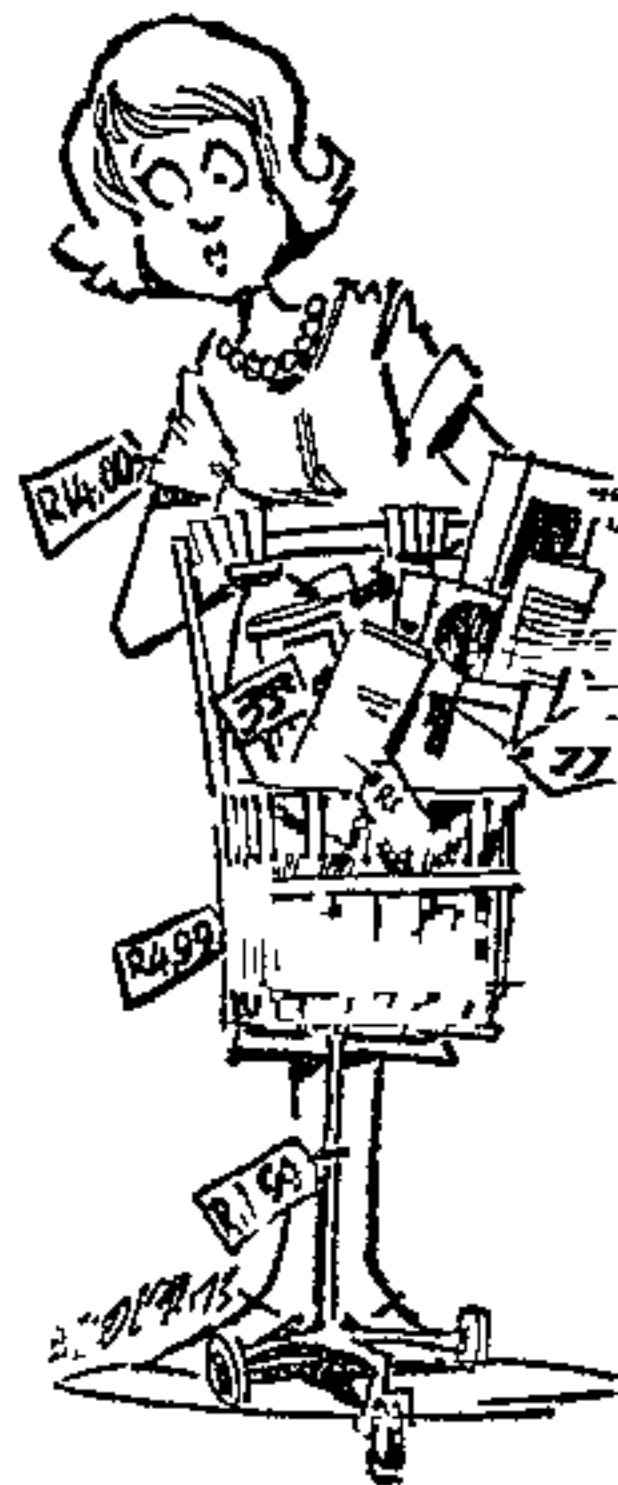
"Can every worker sit back at night, satisfied

that he has done his best that day?" Mr Visser asked. At worst workers' attitudes could destroy management's productivity efforts.

Mr Visser emphasised that the worker's role in productivity was not merely one of passive response.

"Workers have a valuable contribution to make by advancing ideas of their own and stimulating management," he said.

"Of course it is up to management to encourage such constructive interaction by ensuring that suggestions from the shop floor are given a hearing."



Here is . the most potent weapon



STAR
8/9/75

Reports by Siegfried Hannig, Labour Reporter

Next to wage and price restraint, productivity is widely regarded as the most potent weapon against inflation

"The more successful we are in increasing productivity, the less we have to tighten our belts," says Mr Robert Kraft, economist and assistant general secretary of the Trade Union Council of South Africa.

The Star asked Mr Kraft whether South African workers are sufficiently productive.

"No," he replied. "But give us the tools and we'll do the job"

He pointed out that there is more to productivity than hard work:

Action

- Productivity starts with education, training and retraining

- Maximum utilisation of all talent — regardless of race or colour — is an essential element of productivity

- Management holds the key to productivity

"Improved education, training and utilisation of all workers are major elements of the collective



Senator Anna Scheepers — combat Monday absenteeism with an incentive bonus.



Mr Robert Kraft — give us the tools and we'll do the job.

programme of action against inflation adopted by the Government, organised industry and labour," Mr Kraft said

"But the most immediate increase in productivity can be brought about by management action.

It is management's job to see to the efficient

running of its company, to prevent mechanical breakdowns and bottlenecks and to see that the worker's skill matches the requirements of his job.

"If employers don't know how to increase output they would do well to approach the National Productivity Institute," Mr Kraft said

Workers and trade unions regarded management action as urgent in view of the wage-eroding inflation rate. The labour movement was fully committed to co-operating with employers in this regard, he said

Senator Anna Scheepers, president of the Garment Workers' Union of South Africa, said

"My union, for one, is continually urging workers to play their part and to observe their responsibilities"

The Middle East peace agreement has left unresolved the root cause of the

the day would be

borne by the workers," said

"The college has a waiting list of many hundreds of workers keen to improve their talents in their own time, after full day's work

"Yet some employers discourage rather than promote college attendance from which they stand to benefit at least as much as the workers"

Senator Scheepers concluded. "Good management can achieve high productivity with average workers, but management will have low output with the workers"

Mr Jimmy Zurich, president of the Artisan Star Association, agrees with the answer to higher productivity lies primarily with the employer

"South African industry does not need task masters or slave drivers but leaders," he said in his presidential address at his union's conference earlier this year

He pointed out that a factor almost never considered in the productivity context is the key role of the supervisor

It was time for employers to examine promotion procedures to ensure that motivated leaders were put into supervisory posts

Motivate

Uninspired supervisors could not motivate workers and threw cold water on new ideas for fear of having to implement them

"Industry cannot afford supervisors and executives who yell their heads off higher production

the day would be

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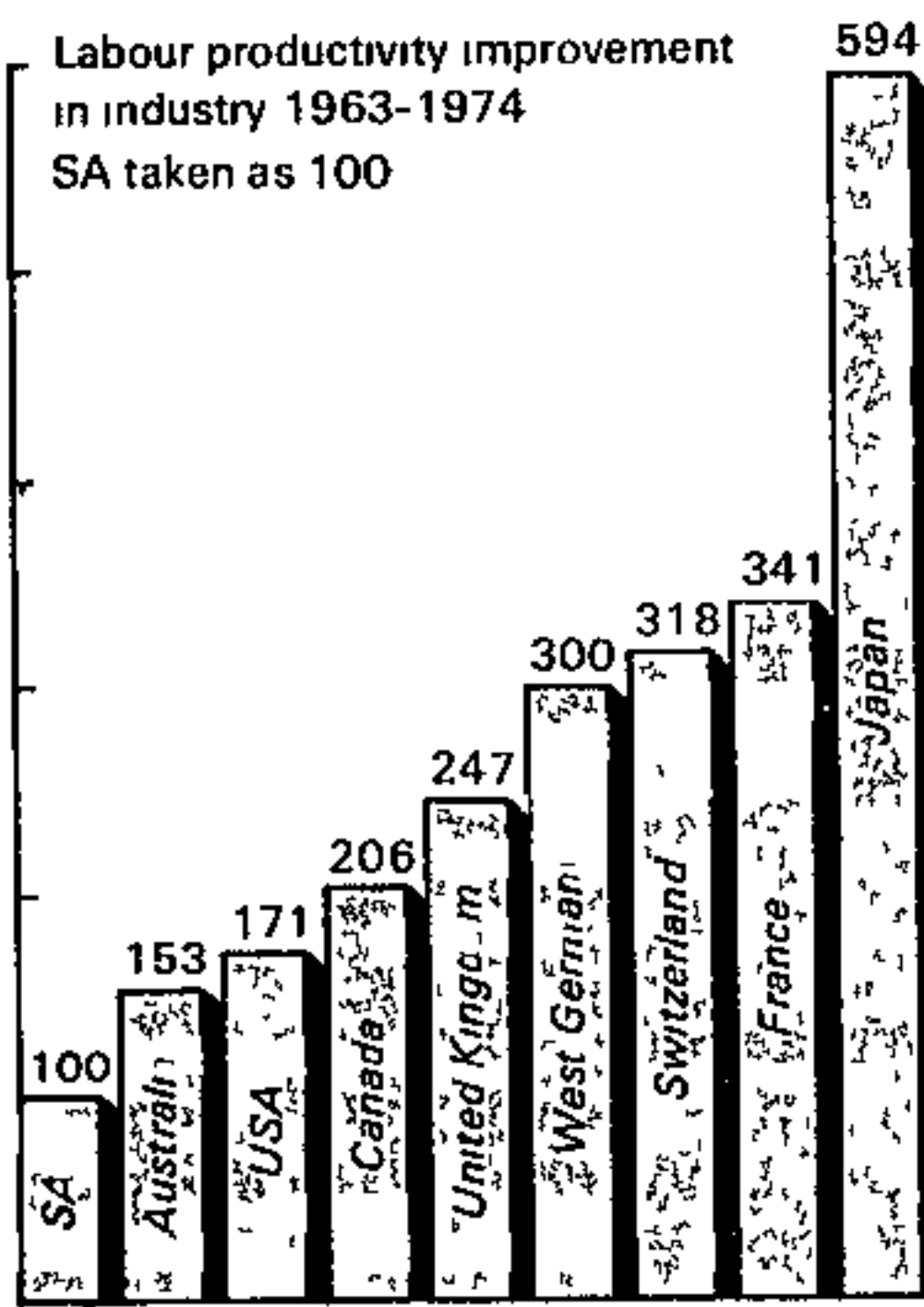
PRODUCTIVITY SA lags behind

FM 12/9/75
249

The overall productivity performance of manufacturing industry over the past 11 years has been "very poor" So says the latest *Senbank Economic Opinion*, compiled by the bank's research economist, Adam Jacobs. As the graph shows, SA lags well behind other countries. Even the UK — which South Africans are so quick to criticise — improved productivity in manufacturing 2,5 times as fast as SA.

Jacobs' "rough method" of measuring the improvement of labour productivity

BOTTOM OF THE LEAGUE



is to divide the increase in output by the increase in employment. Thus, for the manufacturing sector as a whole, the physical volume of production in 1963-74 increased by 108,2% and the number of employees by 74,2% giving rise to a

productivity increase of 19,5%

As the table shows, sector by sector performances varied widely. "The *absolute fall* in labour productivity in a considerable number of sectors is alarming," says Jacobs. Also alarming, he continues, is the fact that "the fall is not limited to the more labour-intensive sectors but also appears in capital-intensive sectors such as the metal processing and the machinery sectors."

HOW INDUSTRY FARED

Productivity changes (%) 1963-74	
Tobacco	104,6
Printing	68,8
Beverages	56,2
Chemical and chemical products	55,3
Paper and paper products	47,0
Basic Metals	30,8
Non-metallic mineral products	28,3
Rubber products	27,5
Food	22,7
Transport equipment	12,1
Textiles	10,8
Electrical machinery	3,3
Clothing and footwear	-1,9
Timber	-5,0
Metal products	-12,0
Furniture	-21,7
Leather and leather products	-26,8
Machinery	-34,3
Miscellaneous (of which the most important is petrol)	116,1
Total for industry	19,5

Source Senbank, based on Department of Statistics figures

Jacobs believes the quality of management is of "primary importance" in improving productivity. "Even within the sectors that show relatively poor labour-productivity achievements, individual firms do exceptionally well. Industrial leaders have pointed out time and again that a worker can only perform as effectively as management allows him to"

Following proposals of the National Productivity Institute, Jacobs suggests the creation of productivity units should be made compulsory, particularly in sectors where productivity is falling. Tariff protection should be made conditional upon productivity achievements, and competition should be sharpened.

Jacobs told the *FM* he was not pointing fingers at the manufacturing sector, but simply using its performance to emphasise the need for productivity improvements in the present inflationary climate.

"The performance of other sectors may be even worse"

Significantly, Jacobs adds that the assumption that the productivity achievement of Black workers is poorer than that of Whites is questionable: "We could not find any significant correlation between increases in the Black/White ratio and poor productivity achievements."

Pretoria to pay incentive bonuses

Pretoria Bureau

The Pretoria City Council is to start a productivity campaign based on incentive bonuses following the success of a similar scheme which it monitored earlier this year in Port Elizabeth.

This has been decided by the management committee.

The bonuses will be based on work studies of each task included in the scheme and will be administered by the city's organisation and method division.

Extension of the scheme to other departments will depend on the results gained in initial tests and will be done in consultation and only with the full consent of municipal worker bodies.

The scheme studied by Pretoria municipal officials in Port Elizabeth was limited to that city's electricity and engineering departments. The work involved included drawing, inspection, maintenance, artisan and manual tasks.

REDUNDANCY

The Pretoria Management Committee has given employee bodies its word that no worker would be dismissed from his post or transferred against his will in the event of his post becoming redundant through the efficiency campaign.

The committee was told the scheme in Port Elizabeth had resulted in:

- Productivity increases of up to 50 percent and unit cost decreases of 15 to 20 percent.
- More reliable planning and costing through better information on each task.
- Better labour relations through higher earnings, greater interest in the job, and more participation by workers in eliminating adverse work

1,262
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F.M. 19/9/75

249

TRADE POLICY

Wrong emphasis?

One of the more provocative papers prepared for the Economics Society's conference in Johannesburg this week was Professor Trevor Bell's analysis of SA's foreign trade and productivity policies.

Bell, a development economist from the University of Natal, Maritzburg, contends it was a mistake for SA to switch from import substitution to export promotion. He fully recognises that "continued import substitution involves intermediate and capital goods, which is a more difficult task (than import substitution in the consumer goods sector) because the market is smaller relative to optimum capacity, and because a higher quality of labour, technological know-how and management is required."

Even so, he argues, failure to press ahead "will leave the economy with an unduly small capital goods sector from the point of view of efficient resource allocation, and it will also tend to increase the external vulnerability of the economy."

He also suggests the Commission on Export Promotion, which was chaired by Dr Hennie Reynders, was wrong to express anxiety over SA's relatively slow growth in labour productivity. A rate of growth in productivity slower than that in many industrial countries may, in fact, be exactly what SA, with its burgeoning population, needs.

"The positive side of (SA's) relative slow rate of increase in labour productivity is a relatively rapid rate of growth of employment." And a comparison of growth rates in SA and the key industrial countries "suggests that SA has been outstandingly successful in increasing the volume of employment, and that a very high ratio of additional employment to additional output, the reciprocal of low productivity growth, is a striking feature of the SA economy."

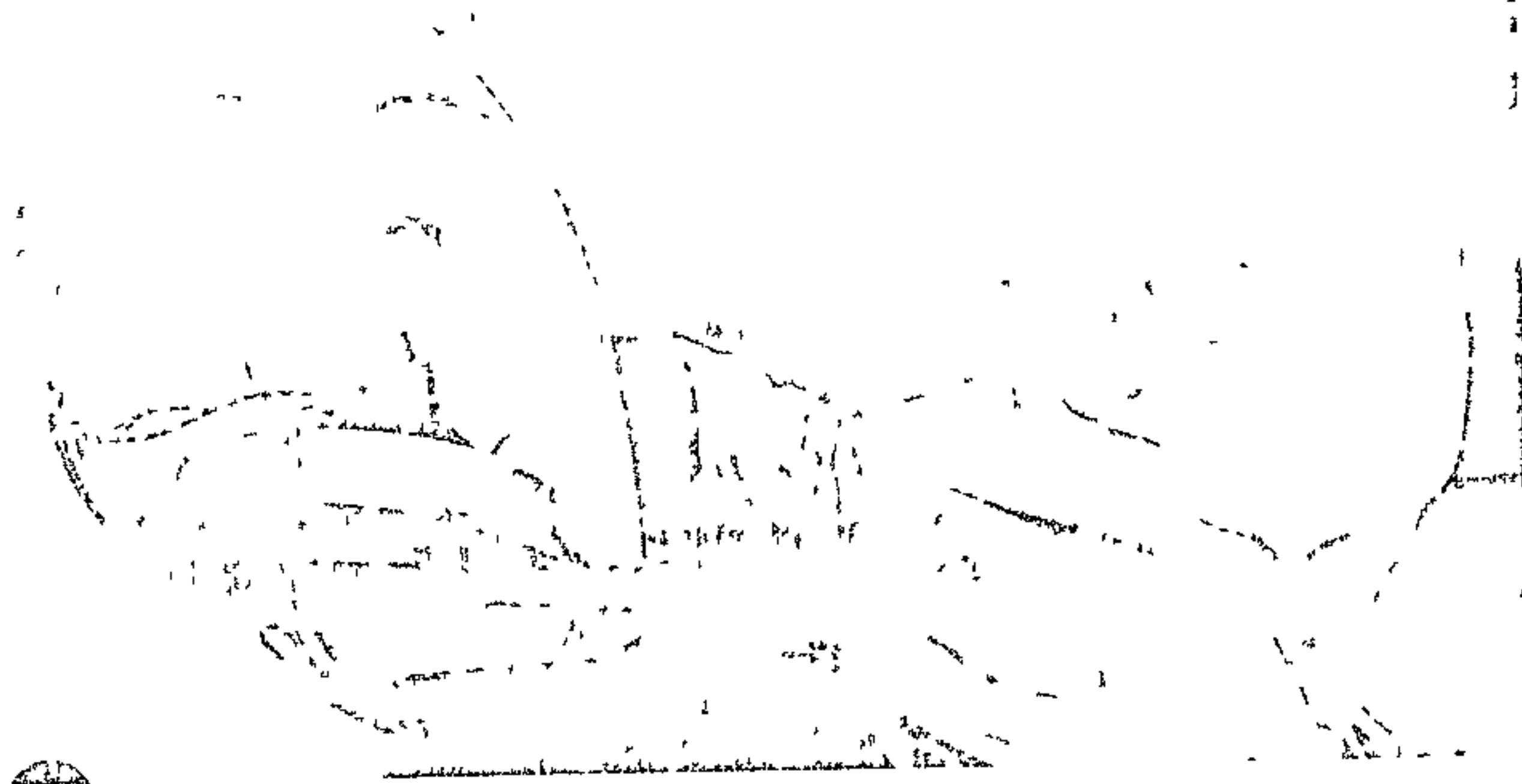
Asked to comment, Reynders pointed out that what he and his fellow commissioners had advocated was not the abandonment of the policy of import substitution but simply greater emphasis on export performance, an area of policy that had previously been neglected.

He referred to page 630 of the Commission's report where it said: "As regards long-run objectives, the Commission is in favour of pursuing both export promotion and import substitution," it says.

One cannot help feeling, however, that Bell has raised some crucial issues which have far-reaching implications for many of SA's economic imperatives. More the pity, therefore, that his case for continued import substitution rests more on circumstantial evidence than on direct evidence drawn from local industrial experience

Do not write
in this
margin

Write



The more efficiently he works the less damage to your pocket

o Better utilisation of workshop facilities through better planning

Since the system started, Lindsay Saker has kept labour charges constant, despite wage increases of 2 1/2%. It will shortly introduce an incentive pay scheme related to output

Kenneth Glissby of the NPI explains that the productivity rise is due mainly to improving the way parts are supplied to the mechanic. The new system provides all parts which may be required before work is begun

The NPI investigation was made at the request of the Motor Industries Federation, which represents most of the country's dealers and workshops (FM April 4 1975)

The standards and procedures issued by Volkswagen in West Germany are described by one dealer as 'excellent but not necessarily geared to local conditions'. The problem of motivating the work force to achieve world wide standards falls squarely on local management

PRODUCTIVITY /W sets the pace

Fm. 3/10/75
249

SA's 16 largest Volkswagen dealers are to introduce the National Productivity Institute's programme for increased productivity in their workshops

The programme is based on the experience of the pilot project at Volkswagen dealer Lindsay Sakers, Johannesburg, which claims to have achieved a productivity increase of 25% during the past year. In the most advanced workshop section the increase has been as high as 30%.

Lindsay Saker MD Kurt Hipper describes success to

Improved repair quality through better fault diagnosis,

Increased productivity of the labour force at all levels,

Training is the key

to success

Private enterprise should spend the equivalent of two weeks' salary for every employee on training and development, says Mr Dave Jackson, of the Institute of Personnel Management.

The IPM's executive director, speaking to the Assocom annual congress in Margate on "The Outlook for Labour," said the three key words for labour in the years ahead were inflation, productivity and communication.

Outlining a blueprint for better labour management, he spelled out five steps to be taken by an employer body such as Assocom.

These were:

- To develop objectives and an action plan to achieve them,

- To get Government backing for the plan,
- To arrange financial incentives for the programme,
- To promote and publicise the plan among members,
- To undertake manpower planning within the economic sector with a view to setting up sector-based training facilities.

PAIDRY FUNDS

Top management's role within the blueprint would be to define company objectives, develop a company plan of action, create a structure and define responsibilities to make the plan work to target for it, to gain an appreciation of the training programme

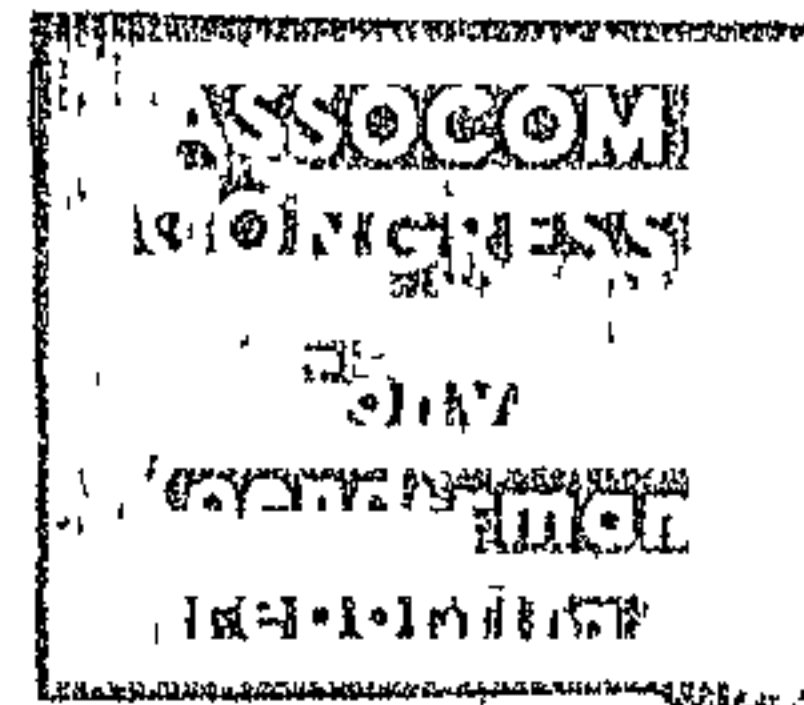
and to maintain a control system so that the programme is kept moving forward.

Mr Jackson said enormous organisations employing thousands of people sometimes allocate paltry sums to training, and then wonder why the programme failed.

"Training and development of people is never cheap," he said. "There is only one thing which is more expensive, and that is to neglect them."

It was not worth setting aside the equivalent of between 3 and 5 percent of a person's salary (one to two weeks' pay) for his development, the organisation should question whether the employment of the individual was necessary at all.

He said he believed the only way to beat inflation would be to analyse the expectations and potential contributions of workers, and institute an intelligent and sincere campaign to increase their vested interest in successful commercial enterprise.



It needed a combination of short-term strategies, to buy breathing space, and long-term strategies to tackle the deeper problems of "a balanced and equitable distribution of wealth, power and opportunity."

SA puts
up with
second best
25/10/75

SA Reporter
A VISITING American,
Professor ~~John~~ Matson
said yesterday the South
African consumer was ap-
parently satisfied with
second-rate products and
services.

He linked this with the
country's standard of pro-
ductivity and general
welfare.

Addressing the annual
meeting of the Bureau
of Economic Research Pro-
fessor Matson said his

comments were intended
to be friendly and helpful.

One of the country's
flaws was low productivi-
ty. The market place was
less competitive than it
should be.

He called for a
parent adjustment on the
part of the consumer to
poor service, meaningless
guarantees and misleading
advertising.

If a clever marketer
produced superior pro-
ducts and services, others
would imitate him, and the
consumer would learn to
appreciate real quality, he
said.

South Africans enjoyed
the finest life style he had
seen anywhere in the
world. However, he believ-
ed it could not continue
without an increase in
productivity.

The South African eco-
nomy had been built
around gold and diamonds,
but the country had the
potential to be a major
exporter of agricultural
products. South Africa
could swap food for petrol.

The Black labour force
must be trained and put
into the production pro-
cess. The Whites, who set
the example, must be more
productive.

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Blacks and Whites in efficiency agency

SUN. TIMES (17) 2/11/73

PROBABLY the first management consultancy in South Africa to specialise in efficiency, productivity and assimilation of problems in areas of commerce and industry where Blacks and Whites work together has opened in Cape Town.

Vic Maharaj, managing director of V. Maharaj Associates, says the anti-inflation manifesto demands improved productivity from all population groups.

"The manifesto raises the question that if Blacks are to receive more skilled training, does the environment provide for their entry into the economy?" says Mr Maharaj, an MBA graduate of the University of Cape Town.

"At the moment it doesn't, and this is where we come in. We are working on an interface to create change. . . which will satisfy the aspiration levels of Blacks, on the one hand, and rationalise this change for Whites on the other."

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13 344

Yes, we sacked them, 12/11/75 admits Weston Biscuits

By CLIVE EMDON
Labour Correspondent

WESTON Biscuits in Springs has admitted sacking 16 African women — but claims it was a decision made because of dropping productivity and not because the workers refused to do night work.

The company yesterday also produced wage slips showing that the sacked workers were paid a special night allowance calculated at 20 per cent of basic pay. This refuted the workers' claim that there had been no compensation for night work.

The women, all members of the 10,000-member Sweet, Food and Allied

Workers Union, claim they have been victimised because they did not want to work night shifts.

Yesterday Mr Joseph Bloom, chairman of the parent company, Premier Milling, and Mr Albert Yates, the newly-appointed managing director of Weston, took me to the factory for an on-the-spot investigation into the sacked workers' claim.

The sacked workers, who constitute a group of packers, claim they are more productive than a similar group which works alongside them. They said they were more experienced than the other group

and packed more almost every day.

Despite producing numerous daily records the management of Weston was not able to show me how the assessment of this group's diminishing productivity had been established.

Ultimately management said it was its prerogative to make assessments on its workers. It regarded its productivity targets as reasonable, and these had been achieved in the past.

Meanwhile the sacked workers again travelled to Johannesburg yesterday from Springs to discuss the issue with their union.

① 186
② 155
③ 241
④ 147

We're putting on the bite, says price controller

Staff Reporter
THE Department of Commerce has put the bite on traders suspected of contravening the price control regulations during the past few months.

And as the anti-inflation campaign intensifies an even tougher approach is certain.

Although the department is silent on the number of recent prosecutions, a statement is expected soon from the Minister of Economic Affairs, Mr Chris Heunis.

In the middle of last year attorneys general told prosecutors and magistrates to take a hard line with price control dodgers. This instruction has been followed.

Meanwhile, the price controller, Mr Joep Steyn, said in Pretoria yesterday the Department of Commerce was ensuring that the manufacturers of price-controlled products were making their anti-inflation sacrifice.

Mr Steyn said there was no doubt production costs

in most industries were continuing to rise, and there was justification for some price increases.

"But we see to it that the application for a price rise has taken into account the 30 per cent of costs sacrifice demanded by the anti-inflation programme."

The price control administration was also doing its utmost to ensure that the prices of uncontrolled products were kept to a minimum. Complaints from the public about unjustified price rises were investigated by price control inspectors.

But the variety of products made and sold in South Africa made 100 per cent surveillance impossible, and the department relied on the public for information.

The recent increase in the number of prosecutions for contraventions of price control regulations indicated the ceaseless watch on prices being maintained by the price control administration.

① 249
② 28

Increasing Productivity: two different approaches

A continual increase in worker productivity is essential to economic stability. Two American companies that have achieved consistent productivity increases are Lincoln Electric and Donnelly Mirrors. South African businessmen can benefit from studying their experiences.

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Lincoln Electric and Donnelly Mirrors use completely different approaches to achieving increased productivity. Both are successful.

But, before applying either of the techniques in your company, a word of caution is in order. Organisations are extremely complex and a case-study approach to examining them must necessarily leave out many factors that could be – unknowingly – contributing to their success.

The fundamental error that is made by practising managers, is to find a technique that was successful in Company X – job enrichment, MBO, profit sharing – and drop it unaltered into Company Y. The result is often a disaster.

The systems employed in the companies presented here, are total systems. The parts interact with each other in complex ways. You may find a particular technique, a philosophy, a style, or a way of thinking that you could adopt for your company. But the process of **adoption** must include the process of **adaption** to fit the needs and the social context of your firm.

Lincoln Electric

Lincoln Electric Company, because of its style of management and extreme bonus system, is one of the most studied and publicised companies in the United States. Since 1911 it has been primarily concerned with the manufacture of arc welding equipment.

In 1934 a profit sharing bonus system was started. The system is simple: from profit deduct the amount needed for reinvestment and a dividend to provide stockholders a 'fair return on their investment'. The remainder is distributed to all employees (except the president) based on salary level and performance evaluation. In recent years, the profit sharing bonus has exceeded the payroll. In 1973, Lincoln Electric distributed \$21 137 705 among 2 256 employees.

Wages and salaries are not trimmed because of the anticipated bonus. They are at or above a competitive rate for the area. A blue-collar worker earning \$14 000 a year in wages will take home close to \$30 000 by the end of the year. Is money a motivator? Lincoln Electric management knows that it is.

There is very little coffee drinking and gossiping on the plant floor or in the offices. The people who work for Lincoln are there to produce. Since all employees are tied to the success of the entire company, peer pressure prohibits any one person from doing less than his maximum. Visitors

to the plant are cautioned not to interfere with anyone's work!

There is much more to the system, however, than just the bonus. William Irngang, chairman of the board, summarised the Lincoln philosophy as follows:

"The worker must feel that he actually wants to work more efficiently and produce more. He must be convinced that he will be rewarded fairly. The worker must also feel that greater efficiency will not endanger his employment. At Lincoln Electric we have found the most potent incentives, if accepted and believed by the worker, are

- money in proportion to production
- status as a reward for achievement
- publicity of the worker's contribution and the reward that is given for it
- continuity of employment through Lincoln's guaranteed employment plan
- the worker's satisfaction in knowing that he is making an above average contribution to the company and, through the company, to society "

Translated into operating policy, this philosophy is manifest in a number of features:

An 'open door' policy of communication

Any employee can see any manager or the chairman of the board.

Guaranteed employment

Workers are assured 75 per cent of their weekly pay. In the last 15 years, Lincoln Electric has never dismissed an employee except for disciplinary reasons or retirement.

'Spartan' working conditions

Although the best tools and equipment are provided, the plant contains no frills. No money is spent for non-productive assets – not even the president's office is carpeted.

Job discretion

Many jobs are routine and repetitive with a very short cycle time. Others have been expanded or enlarged to include many functions and responsibilities. Jobs are designed to be most productive, depending on the task and the workers involved.

Incentive pay

Lincoln Electric is one of the few companies to have both a profit sharing plan and incentive wages, wherever possible.

status is achieved through performance, not through accoutrements. There are no reserved parking places and there is one cafeteria for the president and worker alike.

Promotion from within

Except in rare cases, Lincoln Electric will hire at entry level positions and base its decision more on attitude than on skills.

Employee ownership

Approximately 30 percent of the stock is owned by employees. Most of the remainder is owned by the Lincoln family.

Limited, stable technology

As a policy, Lincoln Electric limits its activities to that which it can do extremely well. Arc welding equipment has changed little in several decades and the company confines itself to one plant in the United States and a limited product line.

Lincoln Electric does not have a universal measure of productivity, but it can measure the results of productivity increases. Wage rates today are about five times what they were in 1934 when the company instituted the bonus system. Copper costs seven times as much and steel more than three times the 1934 prices. Yet, its 300-amp welder costs virtually the same.

Employee turnover, another important measure of long-range success, is admittedly high in the first year as some people find that they cannot fit into this system. After the first year, however, it averages 0.5 per cent.

Lincoln Electric has developed a system that works, a system based primarily on money as a motivator. This does not prove, however, that money is the only motivator. The other parts of the system — such as guaranteed employment and the lack of executive frills — must be considered.

The answers to two fundamental questions will help place the Lincoln Electric System in perspective.

If the Lincoln Electric System is so successful, why isn't every organisation implementing it?

Few companies are willing or able (because of stockholder pressure) to 'go all the way', that is, to distribute all profits and have complete faith in their employees and in their system.

What would happen if every company were to implement this system?

It wouldn't work. Lincoln is able to attract those people who are truly motivated by money and are willing to really produce. Not everyone can fit into that kind of environment.

Lincoln Electric's system is not **the** answer to productivity problems, it is **an** answer. Consider now a different system, based on different premises, but with equally successful results.

Donnelly Mirrors Company

How does a single supplier capture 60 per cent of its market, especially if it is selling to the highly-competitive automobile industry? The answer is to offer a product that has, since 1952, **dropped** in price. How does a company consistently lower the price of its product? The answer is the success story of Donnelly Mirrors, a relatively small company by most standards, but the largest producer of automobile mirrors in the United States.

From 1952 to 1973, the output per person at Donnelly more than doubled and return on investment tripled. Returned goods are down to 0.11 per cent, turnover is down to six per cent per year, absenteeism is under 1.5 per cent and tardiness has dropped below one one cent.

Like Lincoln Electric, Donnelly Mirrors is non-union. Wage levels, however, are highest in the geographic area and the fringe benefit package is designed to be as good as a union contract provides.

Donnelly Mirrors is a family-owned business that has grown from 50 employees in 1952 to about 600 employees. Growth has been supported by increasing automobile sales, increasing market share for Donnelly Mirrors and the ex-

The management philosophy at Donnelly is 'people-oriented' and is based on a strong mutual commitment between management and workers. They believe in a 'fair day's labour for a fair day's pay' and they have implemented that concept by placing all operative workers on salary.

COST SAVINGS

The two-way commitment that Donnelly has developed is not easy to achieve. The risks are great, but the potential payoffs are even greater. There are those who doubted the wisdom of an organisational commitment based on trust of operative workers. The doubters calculated that the loss from absenteeism alone would exceed \$60 000 per year. Donnelly management approached the workers. If the plan was to succeed, \$60 000 in cost savings from productivity improvement suggestions was necessary. The employees agreed. Within one month after the implementation of the salary plan, cost savings suggestions exceeded R250 000.

According to the Donnelly philosophy, the prime inputs to productivity improvement do not come from employees working harder or faster, but from employee suggestions for changes in the production process or supporting functions. The best suggestion that an employee can make, is one that will eliminate his own job or that of his fellow worker.

Employees are not likely to suggest themselves into unemployment, so Donnelly has removed the barrier that exists in most companies by guaranteeing freedom from technological unemployment. If an operations improvement suggestion is made that would eliminate a job, the employee has six months, at full salary, to apply for one of the regularly posted jobs in the company at an equivalent or higher level. If placement problems arise, the employee can either agree to be retrained, accept a lower-level job or ask the company to assist in finding employment outside the organisation. Company policy states that the employee will be dismissed at the end of one year if all efforts are unsuccessful. This policy has not yet been invoked.

In addition to the near-guarantee of employment, all employees participate in a profit-sharing plan. Thus, if anyone makes a productivity improvement suggestion, all share the benefits.

WORK TEAMS

Another unique feature of the operations at Donnelly Mirrors is the organisation of work teams of management and employees. Formal inspection has been eliminated and the responsibility for quality has been transferred to the work teams. The team concept also facilitates control of absenteeism and tardiness that might otherwise occur when all employees are salaried.

The essence of the Donnelly system is not money motivation but participation. The company is quick to point out that participation is not the same as permissiveness. Participation is a style of management, it does not mean an absence of management. It is participation built on mutual trust that allowed Donnelly to eliminate the time clocks and place everyone on salary. It led them to the formation of teams that now make critically important decisions, even the negotiation of yearly pay increases. This is how it works.

An employee committee is formed from members of all levels of the organisation. It decides by mutual agreement on a percentage increase in wages, generally within a one-hour meeting. This increase in wages must be 'paid for' by cost reductions somewhere in the firm. Committee members then seek cost reduction commitments from their respective areas, and when sufficient savings have been found, the contract is finalised. Thus, the wage increases, like other decisions, are based on mutual trust and mutual commitment.

Comparison

It is an oversimplification to say that Lincoln Electric's system is competitive and Donnelly Mirrors' is cooperative,

(continued on page 34) 

(1) 249
 (2) 180
 (3) 78A

Rising factory output spurs ^{STAR.} export growth ^{10/2/76}

Ivan Philip

Production by the manufacturing industries is climbing, and a steady increase in overseas sales has now made exports of factory goods a potential challenger to the traditional giant — gold — as a source of foreign exchange.

A rise in the manufacturing production index of 2,5 percent in the final quarter of 1975 carried the index to 202,6 — meaning output has more than doubled since 1963/64 to add to potential export muscle.

South Africa's status as an exporter of manufactured goods, and particularly engineering goods, is growing fast. And the direction of these exports is by no means exclusively to underdeveloped regions.

Much of the new impetus is towards the industrial giants and the oil producing countries.

Even so, the South African Foreign Trade Organisation is far from satisfied with the overall pattern of export trade.

Safto points out that the country's merchandise exports were worth nearly R4 000m last year. But, of this total, R1 400m was accounted for by agricultural products, diamonds and Krugerrands.

This, in Safto's view, is a dangerously high proportion — particularly because some of these commodities face uncertain conditions.

Dr J.P. Kieser, Safto's general manager, emphasises that manufactured goods, unlike commodities, enjoy a relatively high degree of price stability, even in difficult economic times.

Manufacturers must overcome the feeling that they cannot compete on

export markets, says Dr Kieser. He believes many of them have the kind of quality goods that the world needs.

He points out that South Africa already exports 500-ton body presses to the world's motor industry, pianos to Germany, kitchenware to the United States and road graders and precision variable-speed gearboxes to many industrial and developing countries around the world.

He is not perturbed at the thought of selling coals to Newcastle. "I believe in it because Newcastle knows all about coal — and recognises a good product."

But Mr W.B. Holtes, chief executive of Safto, warns that, if the export opportunities are not to be lost, the Government must reassure industry that export incentives are not going to fall under the axe of anti-inflation cuts.

The quickening pace in Western economies will open up new opportunities for South African exporters this year, says Mr Holtes, but it will also bring keen competition from SA's rivals.

South Africa must make

the best of the advantages offered by devaluation, he said.

The South African business community understands the need for increased exports — but will no doubt understand it even more fully as local market conditions become less rosy in the immediate future.

"An accelerating level of exports is essential," he said, "to prevent the balance of payments deficit from becoming unmanageable and to avoid becoming the branch office of our European and American money lenders."

RD M 25/2/76

Training and production go hand in hand

Dr BRIAN ROSE Education Correspondent

MONEY that is not backed by production depreciates — and this is seen by many experts as the core of inflation.

Perhaps it oversimplifies a very complex situation, but there can be no doubt a nation working half-time is unlikely to keep out of the red.

South African levels of industrial production in manhours compare unfavourably with many industrialised nations and the recent collapse of the gold price and soaring inflationary costs have forced us to take a hard look at our economic future. What can be done about it?

An inevitable — and probably correct — solution is to step up production.

Merely turning on the screw won't help much. Labour has to be motivated. But all the motivation in the world won't create competence on the job. Competence is the product

of basic ability and training.

And it was to training that the State President made his brief but important reference when he opened Parliament recently.

Unlike the school sector of education, industrial and business education is a partnership of State and private enterprise, with the non-governmental sector playing a major role.

Almost every firm of any size has its training division, headed by a training officer often recruited from the ranks of the teaching profession.

With more freedom for self-determination and slightly better salary scales, teachers often enjoy working for industry. Decisions are swifter and usually there is more money available for educational support.

In fact, in the techniques of presentation of learning material, many industrial training units are streets ahead of high schools and universities.

But however excellent individual training departments may be, what is required now is leadership on a broad national front, which is exactly what organisations such as the IPM — Institute of Personnel Management — and the NDMF — National Development and Management Foundation — have been doing.

If these national bodies are to make a real impression, then, as Dr Ray Hinds of the NDMF told the Rand Daily Mail, 1976 has to be a year of "training the trainers". And that means drawing up a blueprint for both Black and White.

Last year the NDMF reached, through its membership, 447 239 people of which 238 266 were Blacks. Concerned with general management training, the NDMF has been concentrating on supervisory management.

If the emphasis is on "training the trainers", the concern at the NDMF, as at the IPM, is with productivity.

that the shortage of trainers was so acute that it was difficult to achieve all that was planned.

Dave Jackson, energetic executive director of IPM, has solved his organisation's problem in an interesting manner. His "Plan 21", the core of the IPM's Campaign Against Inflation, is a snappy, complex approach to the managerial problems for job effectiveness, with training at its core.

The plan demands the commitment and co-operation of board, top management and each level of line management. It provides a down-to-earth technique for analysing the company's problems and suggests steps for remedying them both through organisational development and training.

Once the company understands and accepts the strategy involved, it uses its own internal task force to reach training and organisational objectives. Very wisely, Dave Jackson

intends to put the whole operation on to videotape, thus avoiding the breakdown of a viable proposition through specialist trainer shortage.

SEIFSA, a much bigger enterprise financially, is a function of the metal and engineering industries, a sector of the economy responsible for 20 per cent of the gross domestic product, in 1975 an amount of R4 810-m.lion.

With an employment roll of 467 000 it has an obvious concern with training. In 1975 SEIFSA industries had 13 375 apprentices in training alone. But despite resources and tremendous effort the president of SEIFSA said in 1975 that the skilled labour shortage would be still further aggravated.

Some Black industrial and management training is undertaken by the Department of Bantu Education in Pretoria.

The Department of National Education has a finger in the pie and it plays an important part in validating much White training towards certification.

There are several private groups to which a number of industrialists have contributed which offer industrial and supervisory management training for Blacks working in local industries. In fact, the training picture — essentially another aspect of South African education — is much more diversified than is that of our formal schooling.

Though SEIFSA is directed

DAVE JACKSON

Part of the 1976 plan, coded as "Operation Progress", is, says Mr P. W. Penzhorn, the NDMF's executive director, "a labour training and productivity plan of action".

Dr Hinds, senior manager of development and operations, explained that apart from courses, the NDMF ran in-service training too. The trouble was

DR E. P. DRU

apprentice training as that of technical supervisory management and Engineering Education and Fund has been in for five years. That time has more than SEIFSA has as more than R15 the 570 hursaric isters.

SEIFSA share view that it is sector of our economy requires the Courses run to Black workers and obligations current legislation well received.

"Industrial remarked Dr I 'are an import, SEIFSA's work trainees try to far as it affects as liaison comm

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Key to productivity *RDM*

"INCREASED productivity" is a catch phrase bandied about by economists and industrialists when talking about the fight against inflation. The key to productivity in labour terms is training . . . and better training.

With nearly 5.6-million Africans in a labour market of 8-million in 1970 and with South African production geared in the main to labour intensive mining, agriculture and manufacturing, it is clear that more sophisticated training especially of Blacks in the trades should be the concern this decade.

This week the Department of Bantu Education released a summary of State and industry training schemes and centres, underlining the concern for expanding training facilities, and the incentive to industrialists in border areas to use them.

Details were given as follows:

○ There are five training centres run by and geared to specific industries operating at present, with two more coming into operation by July.

○ Bantu Education has eight industrial training centres functioning in different parts of the country, with four new ones to be started in the 1976/77 financial year and a further four the following year. In addition, two training centres at Soweto are being expanded to double their size.

○ Homeland governments are being urged to make provision for similar centres. The Ciskei and KwaZulu governments have already made provision in their draft budgets for 1976/77 to establish training facilities at Mdantsane and Umlazi.

○ Since the inception of a scheme for the State to approve in-company training centres, 800 firms have asked for application forms from the Department of Bantu Education. Of the 300 completed applications, 270 schemes have been inspected and so far 140 approved and a further 30 due to be registered. A hundred were either withdrawn or referred back for alterations.

Such training schemes have to be approved and registered by the Depart-

ment of Bantu Administration, whether organised and run by industrial companies, groups of companies or private institutions.

Clearly Government policy on training schemes and facilities remains flexible. There are numerous

industries which have not yet taken the initiative to launch into the process of training of Blacks. Perhaps the drive of the Co-operative Commission against inflation with the need for better productivity, will set them in motion.

(1) 258

(2) ~~Manufacture Training~~

(3) 249

(4) ~~Technical Vocational~~



News letter Nuusbriëf

PRODUCTIVITY

MARCH 1976 - NO 4

NEW MEASUREMENT SERVICE CREATES BROAD INTEREST

The invitation to businessmen to make use of the new measurement services offered by the NPI, has created considerable interest

The NPI was inundated with enquiries and about 75 companies invited the NPI to assist them with productivity measurement. This extraordinary interest placed the personnel of the measuring division under considerable pressure and it will take them until the end of May to visit these companies and to offer advice.

Companies which reacted positively to the invitation covered a broad spectrum, including activities such as meat processing, sheet metal, construction, pharmaceutical, brick production, dairy production, fertiliser, plastics and even included agricultural co-operatives.

The size of the companies varied from small to medium to big public companies. Most enquiries came from companies in the Pretoria-Witwatersrand-Vereeniging area, as well as a number of companies in other major industrial centres such as Port Elizabeth, Durban, Cape Town and parts of the Orange Free State.

A striking feature of the big companies which reacted to the invitation was that most of them could be described as well managed. In these cases the NPI can nevertheless make a positive contribution by acting as a sounding board or by the proposal of small adjustments to existing productivity programmes.

However, a relatively small percentage of medium and small concerns reacted to the NPI's invitation. It can be concluded that a fair measure of suspicion still exists towards outside consultants, or it may imply failure on the side of management, or alternatively, that the managers of these companies are under the impression that because they have built up the companies themselves no outsider could possibly be able to render any positive advice.

We at the NPI hold company management in high esteem, but experience has shown that when productivity problems are tackled jointly by management and the NPI, these could be identified and rectified fairly easily by management. By this joint productivity measurement

Peerless Shirts (Pty) Ltd is a successful company firmly believing that productivity performance has to be measured and analysed for possible improvements.

Here Sales Manager Mervyn Herscovitz (left) and Production Manager Ossie McChesney are analysing measurement information with Marking Supervisor Richard Holman (right).



approach, a chemical company succeeded in improving machine and operator utilisation to such an extent that the process time decreased from 10 to three days, simultaneously increasing output as well

Naturally, in most cases it was impossible to emulate these results within the same short period of time. On the contrary, as explained in the previous newsletter, productivity improvement is a complex process and it takes time to bring about these changes. However, a natural tendency exists among us to strive towards the simplification of problems, and productivity is no exception.

A considerable proportion of companies and people are under the impression that productivity improvement is a "product" that is bought and "installed" at the company over the span of a week. When productivity fails to improve after the next week, they become disappointed and reject these improvements as being a lot of nonsense. This in turn gives them reason to carry on in the same old way.

Because of these wrong impressions, it is necessary to look at the concept "productivity" again.

$$\text{Productivity} = \frac{\text{Output}}{\text{Input}}$$

This ratio reflects the efficiency with which the resources of the company — i.e. men, raw materials, machinery and money — is being utilised. It must definitely not be confused with working longer hours or working harder. Getting people to work harder or for longer periods will give us an indication of the apparent diligence of the workers, but not of their productivity.

Productivity could be cast in more than one ratio or index and must often be specially designed for each individual concern. Examples of productivity indices are products per man-hour, ton produced per ton raw material used (which indicates the efficiency of raw material consumption), operator and machine utilisation, profit as a percentage of sales etc. Productivity has many "faces". What is important, however, is that each concern should develop indices which specifically apply to its unique situation and these indices must be **used** to measure and to increase productivity. It is just as important for management to have a productivity reporting system as being informed on the profit position, sales, costs, production, etc. Without productivity norms it is very difficult to manage a business optimally.

What are the most common problems encountered by our measurement advisors?

Firstly, that most companies already have basic data available to measure productivity, but fail to take just that extra step or two to actually compute productivity. Most companies agree that labour costs are now at an all-time high and are carefully noting the hours that workers are present on the premises, but they fail to relate this to the production of say, a particular week. It is known from the clock cards how many hours people were on the job. All that remains is to calculate the productivity index for the week, i.e.

$$\frac{\text{Production for week}}{\text{Total hours worked during week}}$$

It was also found that these same job cards were not being used to determine absenteeism and labour turnover. Most companies have a vague notion that absenteeism is high and therefore retain an additional 10 per cent more labourers to compensate for this. Companies also fail to appreciate that real financial losses are associated with labour turnover, i.e. with the resignation or dismissal of employees and their replacement with new ones. Research carried out by the NPI indicated that average turnover runs at 50 per cent per annum. Conservative estimates indicate that approximately R300 is lost every time a worker is dismissed or resigns. This figure is made up of additional administrative costs,

poor productivity during the period of working notice, training and initial low productivity of the new worker, losses due to poor quality etc. On this basis, it would cost a company employing 100 workers with 50 per cent labour turnover

$$50 \times R300 = R15\,000 \text{ per annum}$$

Other problems encountered are inadequate training of workers as well as supervisors, low machine utilisation, lack of proper maintenance programmes etc.

These problem areas were identified and productivity indices formulated at most companies within the course of one day. These companies are now measuring their productivity and a surprising number of companies are putting up their own productivity improvement programmes now that they can precisely measure what the situation is.

Some companies had more complex problems and requested the NPI to make further analyses and to present possible solutions. These problems relate to production planning, inventory control, setting of standards etc.

There is no denying the fact that most companies realise that they cannot continue paying higher wages without increasing productivity or purchasing expensive new machines without ensuring its full utilisation.

In this vein, Mr Michael Edwardes, chairman of the well known international company, the Chloride group of the UK, recently remarked that although South Africa's economy could be regarded among the world's three best managed economies, our productivity is among the lowest. He is of the opinion that management should use the current recession to employ productivity improvement measures and then be ready for the next upward phase of the economy.

The NPI supports Mr Edwardes in this idea and again invites the managements of small and medium sized companies to get in touch with us and to make use of the measurement service. The first day of advice is free of charge (except for travelling and accommodation costs).

Further consultation days will be charged for at a rate to be negotiated.

Mr Jan Boer leads the measurement team. Call him at (012) 32-306 Pretoria or if it is more convenient, write to him at NPI, P.O. Box 3971, Pretoria.

NPI BECOMES PRIVATE COMPANY

On the 1st April 1976, the NPI becomes a private company without profit motive. This will bring the NPI in line with the more important productivity organisations in Europe, the United States of America and Asia. It was established that when such bodies more closely resemble private enterprise, a better relationship exists with businessmen because their problems are then better understood.

The Directors of the NPI are appointed from members of the Productivity Advisory Council (PAC).

The PAC comprises of representatives from organised commerce and industry, agriculture, mining, trade unions, etc. Five members were appointed by the Council to serve on the board of directors. They are Dr SJ Kleu, Messrs HC Morcombe, S Press, LCM Scheepers and Dr M van den Berg.

They need no introduction and are men who have already made significant contributions to the South African business scene.

The NPI now enters a new phase in its relatively short existence in which it has already made significant contributions towards productivity improvement.

An invitation is again extended to the business community to make use of NPI services. Practical experience indicates that it could be a profitable proposition to most companies.

News letter Nuusbriëf

MAART 1976 - NR 4

NUWE METINGSDIENS LOK WYE BELANGSTELLING UIT

Die uitnodiging aan sakelui om gebruik te maak van die nuwe metingsdiens is besonder gunstig ontvang

Die NPI is oorval met navrae en sowat 75 maatskappye het versoek dat die NPI besoek aflê om die metingsdiens in te stel. Hierdie buitengewoon groot belangstelling het die personeel van die metingsdiensafdeling onder aansienlike druk geplaas en hulle sal seker tot aan die einde van Mei besig wees om die maatskappye te besoek en van advies te bedien.

'n Groot verskeidenheid maatskappye het gereageer en het onder andere ingesluit vleisverwerking-, plaatmetaal-, konstruksie-, farmaseutiese-, baksteenvervaardiging-, suiwelproduksie-, kunsmis-, plastiekmaatskappye en landboukoöperasies.

Die grootte van die maatskappye het gewissel van klein tot middelslag tot groot openbare maatskappye. Meeste navrae het van maatskappye in die Pretoria-Witwatersrand-Vereeniging-gebied gekom, terwyl 'n hele aantal navrae afkomstig was uit ander nywerheidsentra soos Kaapstad, Durban, Port Elizabeth en dele van die Vrystaat.

'n Verdere opvallende kenmerk was dat heelwat van die groot maatskappye wat gereageer het geklassifiseer kan word as maatskappye wat goed bestuur word. In sulke gevalle kan die NPI nogtans 'n bydrae lewer deur bevesti-

ging van die waarde van bestaande produktiwiteitsverbeteringskemas of die aanbring van klein verbeterings.

'n Relatief lae persentasie middelslag en klein ondernemings het egter op die NPI se uitnodiging gereageer. Die gevolgtrekking wat hieruit gemaak kan word is dat daar steeds 'n onderliggende agterdog teenoor buiteraadgewers bestaan, of dat dit 'n erkenning van bestuur sal wees dat hulle misluk het, of alternatiewelik dat diegene onder die indruk is dat hulle self die besigheid opgebou het en dat geen buitestaander instaat sal wees om 'n positiewe bydrae te maak nie.

Ons by die NPI het beslis die grootste respek vir die bekwaamheid van maatskappybestuur, maar ondervinding het getoon dat deur middel van die benadering waar ons die maatskappye in samewerking met sy bestuur ontleed, leemtes aangetoon kan word wat betreklik maklik deur die bestuur self oor die verloop van 'n paar dae reggestel kan word. Op hierdie wyse het 'n chemiese maatskappye binne 'n week daarin geslaag om sy masjien- en operateurbenutting tot so 'n mate te verhoog dat die proses-tyd van 10 dae gedaal het tot 3 dae en dat 'n groter volume werk verrig kon word.

Vanselfsprekend kan soortgelyke resultate in die meeste gevalle nie binne dieselfde kort tydskedule bereik word nie. Intendeel, soos in die vorige nuusbriëf verduidelik,

Peerless Shirts (Edms) Bpk is 'n suksesvolle maatskappye wat oortuig is daarvan dat produktiwiteitsprestasie gemeet en ontleed moet word vir die verhoging van produktiwiteit en winsgewendheid.

Verkoopsbestuurder Mervyn Herscovitz (links) en produksiebestuurder Ossie McChesney ontleed hier betekenisvolle metingsinligting saam met afmerkopsiener Richard Holman (regs).



is produktiwiteitsverbetering 'n komplekse proses en neem dit tyd om verbeterings aan te bring. Daar bestaan egter by die mens 'n neiging om meeste probleem-situasies te probeer vereenvoudig en ongelukkig is dit ook die geval met produktiwiteitsverbetering.

'n Groot aantal maatskappye of mense, verkeer onder die indruk dat produktiwiteitsverbetering 'n "produk" is wat gekoop word, en oor 'n kwessie van 'n week by die maatskappy "geïnstalleer" word. Wanneer produktiwiteit teen die einde van die volgende week nie verbeter het nie, is hulle teleurgesteld en sê dat hierdie verbeteringspogings 'n klomp onsin is en gebruik dit dan as regverdiging om weer op die ou manier voort te gaan. Omdat hierdie wanindrukke bestaan, is dit nodig dat ons weereens kyk na wat die begrip "produktiwiteit" presies is.

$$\text{Produktiwiteit} = \frac{\text{Uitset}}{\text{Inset}}$$

Hierdie verhouding weerspieël die doeltreffendheid waarmee die hulpbronne van die maatskappy te wete mannekrag, grondstowwe, masjiene en kapitaal, deur die bestuur van die maatskappy benut word. Dit moet beslis nie verwar word met harder of langer ure werk nie. Deurdat werkers langer of harder werk kan dit ons insae verskaf omtrent die oenskynlike vlytigheid van die mense, maar nie 'n insig in hulle produktiwiteit nie.

Produktiwiteit kan in meer as een verhouding of indeks weergegee word en moet dikwels spesiaal ontwerp word vir iedere individuele onderneming. Voorbeelde van produktiwiteitsindekse is produkte per man-uur, ton geproduseer per ton grondstof verbruik (wat die doeltreffendheid van grondstof-omsetting aandui), operateur- of masjienbesetting, wins as 'n persentasie van verkope ens. Produktiwiteit het dus baie "gesigte". Wat egter belangrik is, is dat elke onderneming indekse moet ontwikkel wat spesifiek op hom van toepassing is en dat hierdie indekse **gebruik** moet word om produktiwiteit te meet en ook te verhoog. Dit is net so belangrik vir die Bestuur om 'n produktiwiteitsverslaggewingstelsel te hê as wat dit is om op die hoogte te wees van die winsposisie, verkope, koste, produksie, ens. Sonder produktiwiteitsnorme is dit baie moeilik om 'n besigheid optimaal te bedryf.

Wat was die algemeenste probleme wat teegekom is?

Eerstens, dat die meeste maatskappye reeds oor basiese data beskik om produktiwiteit te kon meet, maar het tog nie daardie een of twee stappe verder gegaan om dit werklik te doen nie. Meeste maatskappye is dit eens dat arbeid tans 'n baie duur item is en hou noukeurig boek van die aantal ure wat werkers teenwoordig is op die perseel, maar hulle bring dit nie in verband met die produksie vir sê, die week nie. Dit is bekend uit die werkskaarte hoeveel ure gewerk is. Al wat oorbly is om 'n produktiwiteitsindeks vir die week uit te werk, naamlik

Produksie vir week

Totale aantal ure gewerk gedurende week

Dit is ook gevind dat werkskaarte nie gebruik word om die arbeidsomset en afwesigheid te bepaal nie.

Meeste maatskappye het 'n vae idee dat afwesigheid hoog is en hou derhalwe ongeveer 'n 10% ekstra arbeid aan om te kompenseer hiervoor. Maatskappye begryp ook nie dat werklike finansiële verliese betrokke is by arbeidsomset nie, dit wil sê die bedanking of afdanking van werkers en die vervanging met nuwes nie. Navorsing van die NPI toon aan dat die gemiddelde arbeidsomset ongeveer 50% per jaar beloop. Konserwatiewe ramings toon aan dat ongeveer R300 verlore gaan elke keer wat 'n werker bedank of afgedank word. Hierdie syfer word saamgestel uit addisionele administratiewe koste, swak produktiwiteit tydens periode van kennisgewing, opleiding en aanvanklike swak produktiwiteit van die nuwe werker, verliese as gevolg van swak kwaliteit, ens. Gebaseer hierop, kos dit dus 'n maatskappy wat 100 werkers in diens het met 'n 50% arbeidsomset

$$50 \times R300 = R15\ 000 \text{ per jaar}$$

Ander probleme wat teegekom is, is onvoldoende opleiding van beide werkers sowel as toesighouers, swak masjienbenutting, gebrek aan instandhoudingsprogramme, ens.

By die meeste maatskappye kon die probleemgebiede binne die bestek van een dag geïdentifiseer en produktiwiteitsindekse geformuleer word. Hierdie maatskappye gaan nou voort om produktiwiteit te meet en verbasende baie maatskappye stel met sukses hul eie verbeteringstelsels in noudat hulle presies kan meet wat aangaan.

Ander maatskappye het meer komplekse probleme en het die NPI versoek om verdere ontledings en moontlike verbeterings aan die hand te doen. Hierdie probleme hou verband met produksiebeplanning, voorraadbeheer, standaardstelling, ens.

Een ding wat egter baie duidelik is, is dat maatskappye besef dat hulle nie kan aanhou om hoer lone te betaal sonder om produktiwiteit te verhoog nie of om duur nuwe masjinerie aan te koop en dan nie seker te maak dat hulle maksimaal beset word nie.

So het Mnr. Micheal Edwardes, voorsitter van die bekende internasionale maatskappy, die Chloride groep van Brittanje, onlangs hier opgemerk dat hoewel Suid-Afrika se ekonomie een van die drie besbestuurde ekonomie ter wêreld is, is ons produktiwiteit van die laagste. Hy is van mening dat bestuurslui die huidige recessie moet gebruik om produktiwiteitsverbeteringsmaatreels in te stel en reg te wees vir die volgende opswaai van die ekonomie.

Die NPI steun Mnr. Edwardes in hierdie gedagte en rig weer 'n uitnodiging tot die bestuur van ons klein en middelslagvervaardigers om kontak te maak en om gebruik te maak van die metingsdiens. Die eerste adviesdag word kosteloos aangebied (behalwe reis- en verblyf-koste). In geval daar verdere adviesdae nodig is, sal op 'n bedrag ooreengekom word.

Die metingsdiens staan onder leiding van Mnr. Jan Boer. Skakel hom by (012) 32306 of indien dit geriefliker is, skryf aan hom te

NPI
Posbus 3971
PRETORIA
0001

NPI WORD 'N PRIVAATMAATSKAPPY

Op 1 April 1976 word die NPI 'n privaatmaatskappy sonder winsoogmerk. Die vernaamste produktiwiteitsorganisasies in Europa, Amerika en Asie is op soortgelyke lees geskoer. Dit is gevind dat omdat sulke instansies meer soos privaatinstellings optree, hulle groter aan-klank vind by sakemanne en dat hulle probleme beter verstaan word.

Die Direksie van die NPI word verkies uit lede van die Produktiwiteitsadviesraad. Die Produktiwiteitsadviesraad word saamgestel uit verteenwoordigers van die georganiseerde handel en nywerheid, landbou, mynwese, vakbondwese, ens. Vyf lede is deur die Raad benoem om op die direksie te dien en hulle is

Dr S J Kleu, Mnr H C Morcombe, L C M Scheepers, S Press, Dr M van den Berg

Hierdie mense het geen bekendstelling nodig nie en het alreeds hulle merk in die Suid-Afrikaanse sakelewe gemaak.

Die NPI betree nou 'n nuwe fase in sy relatief jeugdige bestaan en het reeds betekenisvolle bydraes gelewer ter verbetering van produktiwiteit.

Met die nuwe bedeling word daar opnuut 'n uitnodiging tot die sakegemeenskap gerig om gebruik te maak van die NPI se dienste. Die praktyk het getoon dat dit vir die meeste maatskappye 'n lonende proposisie kan wees.

Job swoppers

17/3/76
STAR.

cost SA

R1 350-m pa

Pretoria Bureau

Job swoppers are costing South Africa R1 350-million a year, the Director of the National Productivity Institute, Dr J. H. Visser, says.

He pinpointed this drag on the economy in an article on productivity —

of labour, money and machines — released by the Anti-Inflation Publicity Committee yesterday.

Apart from working more efficiently, which did not necessarily mean harder, he said, employees could make a direct and immediate contribution to improving productivity by reducing their absenteeism and job changing

There were 9-million employees in South Africa, Dr Visser said, and a conservative estimate of labour turnover in this country was 50 percent a year.

It cost about R300 to replace an employee, so that with 4,5-million such changes, South Africa was spending about R1 350-million a year unproductively.

SAVE R675-M

If the labour turnover rate could be reduced to 25 percent, the country could save itself R675-million a year.

Absenteeism also had a big detrimental effect on productivity.

Dr Visser said he should not be construed as placing the emphasis in productivity on blue collar workers. The same arguments applied to white collar workers, though measurement of productivity was more difficult in their case.

A clerk could however test his own productivity by recording every 10 minutes what he had done. By modifying work habits, systems or procedures, it was possible in many offices to increase the output per worker by 50 or 100 percent, without his necessarily working twice as hard or for longer hours.

(1) 249
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EMBARGO --- FOR IMMEDIATE RELEASE

(247)

PRICES OF CLOTHING IN SOUTH AFRICA

PRESS STATEMENT ISSUED BY THE MINISTER OF ECONOMIC AFFAIRS

As a result of persistent allegations by members of the public that the high prices of clothing in South Africa are due partly to excessive profit margins taken by retail distributors of clothing and partly also to certain malpractices which exist in the retail distribution of clothing, the Price Controller has decided, with my approval, to carry out an intensive investigation into the costs, prices and sales practices of both the clothing manufacturers and retail clothing distributors in the country.

I have also requested the Price Controller to include, in his report to me on his investigations, a recommendation concerning the desirability that clothing manufacturers be compelled to affix to each garment manufactured by them a label registered with the Price Controller and showing the factory price at which that garment is to be supplied in the customary wholesale quantities to retailers.

In addition, the Price Controller has been asked to report to me on the advisability that a maximum retail profit margin be fixed in respect of all clothing sold in the country.

Any person or organisation wishing to submit information or views to the Price Controller in respect of any of the matters to be covered by the abovementioned investigation are requested to do so in writing before 30th April 1976, and to address their communications to the Price Controller, Private Bag X84, Pretoria. All such communications will, of course, be treated by the Price Controller as strictly confidential.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST
OF THE MINISTRY OF ECONOMIC AFFAIRS.

CAPE TOWN

6 APRIL, 1976

ABOLITION OF PRICE FREEZE IN RESPECT OF NEW MOTOR VEHICLES

PRESS STATEMENT RELEASED BY THE MINISTER OF ECONOMIC AFFAIRS

The prices of motor vehicles have never in the past been formally controlled, but were temporarily frozen during September last year when certain motor manufacturers announced increases in their prices immediately after the devaluation of the Rand.

In October, 1975 certain limited price increases were approved by me for the manufacturers individually after the motor industry had submitted urgent representations to me about its generally unfavourable financial position and substantial cost increases, mainly as a result of the devaluation of the Rand with which the individual motor manufacturers had to contend at that time.

The increased prices of individual manufactures resulting from this form of relief to them from the then existing price freeze were to have remained effective until 1st July. However, I did indicate during my discussions of October, 1975, with the individual manufacturers that I would be prepared after 1st April of this year to review the price freeze in respect of any of them who could prove conclusively to me that his company could not continue its manufacturing operations because of further material cost increases and declining profits experienced by it since the introduction of the October 1975 price increases.

The industry has now once again approached me for urgent relief from the price freeze in the form of either the abolition of this form of control over its prices or the granting of a general increase in new vehicle prices to the industry as a whole.

As a general rule the price control policy of the Government is being applied in such a manner that increases or reductions in controlled prices are usually determined on an industry basis. The motor industry's alternative request for relief from the existing price freeze by means of the granting to it of a general price increase in respect of new motor vehicles has been based on this general principle of the Government's price control policy.

The latest financial figures of the individual motor manufacturers which have now been made available to me, clearly show that a few of the manufacturers are still making a profit but that the large majority of them are operating at a net loss. However, not one of the profit-making manufacturers is achieving a rate of profitability anywhere near the figure of 15% before tax and the payment of interest on the depreciated value of the assets of the undertakings which has been indicated in the anti-inflation programme as the dividing line for the absorption of unavoidable cost increases.

In addition, these figures indicate that since the middle of December 1975 the additional income which the individual manufacturers had derived from the price increases which they were authorised to introduce in October 1975 had been more than wiped out by the unavoidable cost increases with which they were confronted, and that, in actual fact, the financial position of every one of them had deteriorated substantially since the introduction of the price freeze.

Moreover, the Government is satisfied that the degree of competition between the individual manufacturers is such at present that there is no possibility of the public being exploited by excessive vehicle prices if the price freeze were to be abolished.

In/...

In these circumstances the Government has concluded that the determination of the prices of new vehicles could safely be left to the operation of the normal market forces, and it has accordingly decided that the price freeze be abolished with immediate effect.

I must emphasise, however, that all the motor manufacturers still remain fully bound by the provisions of the anti-inflation programme in so far as the absorption by them of at least 30 per cent of their unavoidable cost increases are concerned.

In addition I want to draw attention to the fact that the wide variety of vehicle models which are being manufactured locally are much more than can be justified by our relatively small market in the Republic. This phenomenon must necessarily have a sharp cost increasing effect and must contribute to the high price structure of motor cars. The Government is already for many years seriously concerned about this state of affairs and has, by means of persuasion, attempted to improve the situation. Although individual manufacturers have introduced improvements, others have expanded their model ranges. On the whole, therefore, the situation has not improved to any significant extent.

In view of the sharply rising costs of recent times, it is necessary again to review the matter thoroughly and I have, therefore, instructed my Department of Industries to obtain from each of the manufacturers concerned proposals regarding the reduction of his model range and to report to me as soon as possible in order that further negotiations may be conducted before the Government takes a decision in regard to the matter.

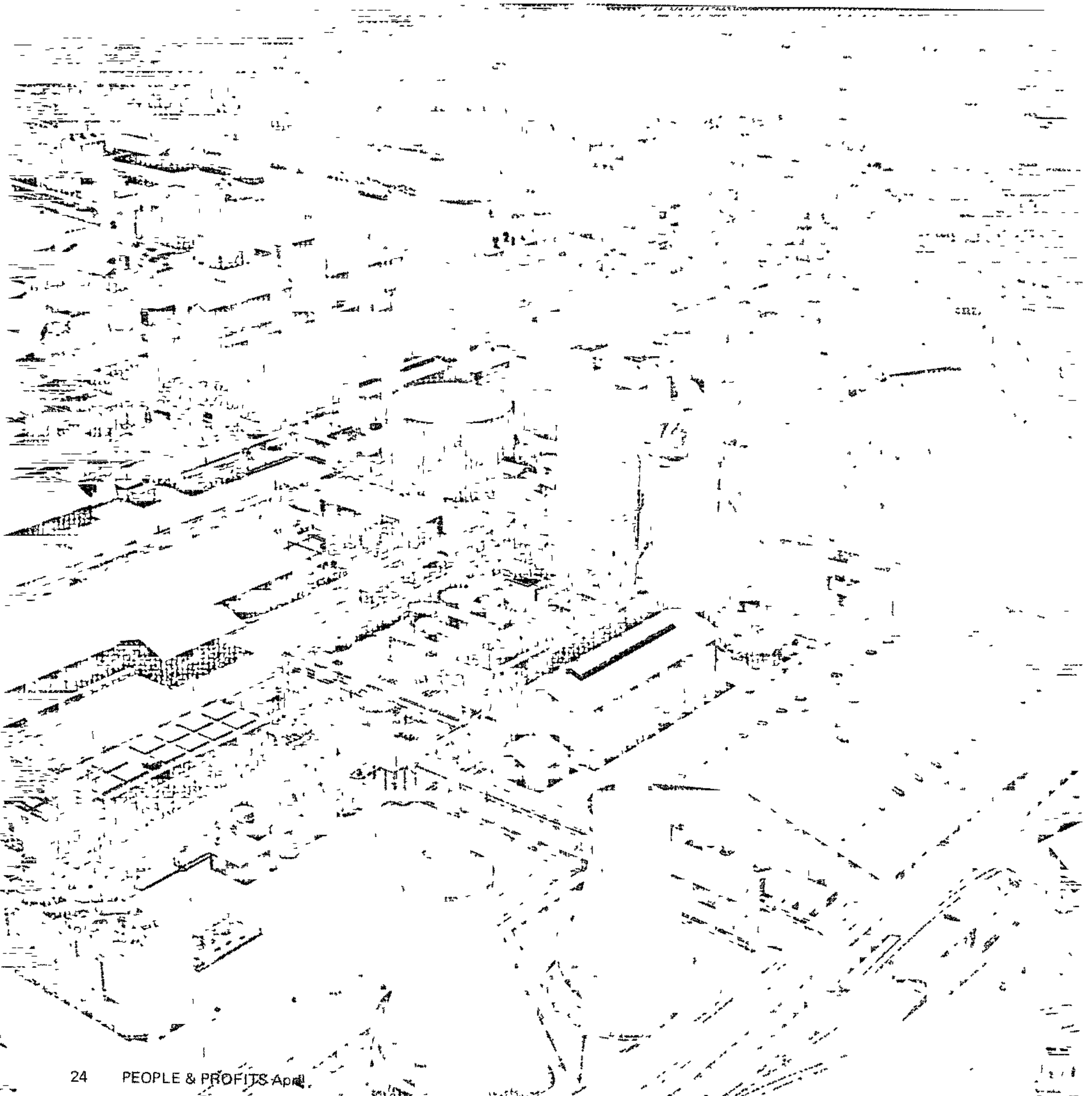
ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF THE
MINISTRY OF ECONOMIC AFFAIRS

CAPE TOWN

9 April 1976

PRODUCTIVITY

Boosting manpower productivity at AE&CI



by-product, a series of needs that demand immediate attention. One of the most important contributions that training leadership can make is in the formulation of training objectives. These must be defined in behavioural terms for an entire programme, a given course, an individual lesson. Moreover, attention must be given to the learning climate of the learner. Often, those who need training most have a fear of involving themselves. A very careful procedure must be set up to place these people in groups and give them the comfort to make it possible for them to learn.

Furthermore, training leaders must attempt to answer such questions as: Will the novelty of the situation enhance or impair the feasibility of acceptability of this learning experience? Will communication through the electronic medium lend an aura of authority to the presentation beyond that intended? Will the learner be able to make a transition from televised learning to books, classroom teaching, and other kinds of learning experiences? What is his educational background, his language skill level, his rate of comprehension? What relationship will television have to the other learning media?

The 'answers' to these questions must form an integral part of the training objectives that are set. Yet, not even the reliable setting of these objectives will overcome the most important hurdle that new training leadership must face. This is the need of constant evaluation of educational television programmes. Trainers must not become so enamoured of the gadgetry that it is assumed that because of the gadgets training will (automatically) improve. Cold-blooded and constant evaluation of the situation is necessary. □

The question of television hardware was discussed in 'In-company TV . . . The high-priced trap?', *People & Profits*, September, 1975. The message was simple — be selective and cautious. Keep asking "Is TV working for me?"

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Productivity has been a key part of the AE & CI business operation for many years. But, the scope and emphasis of its payroll productivity programme has changed because of inflationary conditions and the growing shortage of skills in South Africa. One of the main changes that has taken place is that greater attention is being paid to Non-White employees than ever before.

In this article, Rocco de Villiers, manager — productivity services, discusses problems encountered in putting the AE & CI scheme into practice. He also takes a look at steps that are necessary for continued productivity improvement in this country

Factors influencing payroll productivity

De Villiers defines payroll productivity, in the AE & CI context, as "The economic efficiency with which the inputs of the present and potential skills of the available payroll force, in optimum numbers, are converted into outputs". In practice, this means that productivity levels are determined by a variety of organisational, technical and human factors. Many of these are directly controlled or influenced by management decisions and the work of line management assisted by specialised administrative and technical staff.

In summary, these main factors are

- product range and mix
- working methods and increased mechanisation in areas where there is a great reliance on unskilled labour
- skill of management in achieving and operating the best functional composition and application of the payroll force
- efforts of employees themselves

In addition, all AE & CI factories operate processes ranging from sophisticated and capital intensive single-stream production units to highly labour intensive and essentially batch-type production units.

Throughout the whole range, payroll productivity is significantly influenced by level, uniformity and continuity of demand.

Capital assets and their manning are not readily divisible to match fluctuating demands. Also, according to de Villiers, "Only 55 per cent of the total payroll force can be classified as directly productive. The rest is employed on engineering maintenance work, materials handling, packaging and other supportive duties. In some of these areas fluctuating demands are outside factory control.

"In addition, there is a great reliance on unskilled labour, at least 90 per cent of whom are migrant employees on annual contracts. It is thus difficult to make short-term adjustments in manning to meet changing demands."

Resources

AE & CI uses the following resources to ensure higher productivity levels

- departments are organised to harness the knowledge and experience of all levels of employees in identifying the scope for productivity improvements
- middle management and technical staff receive training in the application and use of basic techniques as aids to productivity
- specialist personnel and productivity services staff advise and assist departmental management in developing and implementing productivity programmes and effective selection and placement procedures

Problems and solutions

In-company communication

There must be in-company communication on the importance of higher productivity levels. According to de Villiers, "The emphasis on productivity is not always understood or accepted by employees. To most of them, a directive for higher productivity is seen as relating to people and to changes that will only increase stress and insecurity. They do not readily accept that it has a direct bearing on the

company's ability to provide better job opportunities through growth."

AE & CI has attempted to correct this negative environment by communicating with all its employees on the need for higher manpower productivity levels. During 1975, the emphasis was on the problems which the growing shortage of skills will create in maintaining and improving these levels over the next five years.

According to de Villiers, "Trade unions in particular find it difficult to identify with the fundamental business concept that if the maximum amount available for wages, from the net income generated by the joint efforts of all employees, is not growing at a sufficient rate, then the only way to increase wages is to improve the productivity of the employees concerned."

"Their difficulty is, of course, that the factors determining productivity improvement in these circumstances are usually that

- the number of employees must be reduced
- the application of available or potential skills of the total labour force must be used more efficiently"

Together with the trade unions, a framework of principles has been established to implement specific payroll productivity development projects and to regularly review them. "However", says de Villiers, "the problems of payroll productivity vary in different work situations — the application of the agreed principles must always be developed in the context of specific needs. The use of journeyman aides, as the solution to the Republic's shortage of journeymen, is a case in point — particularly where its general implementation requires training of Non-Whites to perform only specific physical tasks, at high efficiency, under the supervision of the White journeyman." In this case, journeymen aides can be used to increase productivity only if

- specific tasks occurring on a day-to-day basis will ensure their productive employment
- separation of skilled tasks from those that demand less skill is feasible in maintenance work
- the journeyman is competent to organise the work of the team into a productive unit

However, these circumstances do not apply in all work situations.

Management environment

It is important for the motivation of ongoing departmental payroll productivity programmes that

- departmental management is committed to, and entirely responsible for, its own departmental productivity programmes
- departmental management has the skill to systematically plan higher levels of productivity, and has the time to devote to conditions that must precede the successful implementation of these plans
- measurements of payroll productivity used at higher management levels to assess progress, and to set company objectives, are meaningful and acceptable to all levels of management
- the personnel function can provide employees who have the ability to be trained to the required performance standards and who are likely to become a stable workforce

"Most significant gains," says de Villiers, "come from the better-organised departments, simply because they are always on the look out for improvements, base these on systematic analysis rather than ad hoc decisions and are more skilful in

This article is based on an address given by Rocco de Villiers, manager — productivity services, AE & CI, at a conference on 'Practical Productivity Programmes' organised by the National Development and Management Foundation recently. Copies of the full address are obtainable through the Institute of Personnel Management.

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controlling their implementation "

An area which he feels still presents practical problems is the creation and effective use of manpower productivity measurements. The basic requirements are that the manpower ratios must

- reflect only the particular aspects which are determined and controlled by management decision at each level
- be presented so that measurement not only signals the need for investigation into the economic efficiency of the use of labour resources but also the areas where improvement is needed
- stimulate greater efforts for improvement by comparing current achievement with what **could** be, rather than with what **has been**

Two measurements that are meaningful at factory level in reflecting productivity of the total workforce, are 'added value per rand of payroll costs' and 'the physical volume index of output per employee'

Because of different units of measurement, it is difficult to express total output in physical terms. Volume is therefore expressed in monetary terms as the value of production. Prices are adjusted to base year prices for comparison purposes.

Measurements are reported regularly but have to be broken down to relate to group of products, or even individual products, and to examine trends in the contribution of the various sectors of payroll employment. This highlights areas of uneconomic use of labour.

Says de Villiers, "At micro level, many departments have created their own productivity indices which alone, or in conjunction with the ratios already described, are serving a very useful purpose in promoting productivity. This is particularly evident where current achievement is compared with objective standards and labour productivity is measured, not for its own sake, but for its contribution to the required overall result "

Attitude of Whites

In South Africa the contribution of Non-White productivity is becoming more important. Dr Wim de Villiers, managing director of General Mining, in his book *The Effective Utilisation of Human Resources in the R S A* ', makes the point that Black labour productivity can be improved only if the average White supervisor recognises its importance and the true working potential of the Black — and if his attitude towards the use of Black labour can be changed.

In order to reach this objective, AE & CI has established departmental teams to implement necessary changes in improving shopfloor productivity. These teams, called Joint Productivity Advisory Committees, (JPAC's) include the employees from departmental management down to the shopfloor, who are most concerned with, or likely to be affected by, these changes.

Problems that can arise when using this approach normally stem from one or more of the following conditions:

- management's starting point in the joint consultation process is not an objective statement of the problem but rather a predetermined solution to it
 - JPAC's are only convened to solve ad hoc problems as needs arise, rather than to develop and implement long-term departmental plans for higher labour productivity levels and to ensure that the department will continue to man its plants adequately
 - over-emphasis on problems of payroll productivity, ie, management only sees the need for joint consultation with the shopfloor when it plans changes in the use of labour resources and not in the development of total productivity
 - decisions on rationalising and reclassifying work because of the specific need in one work situation, are viewed as a threat to the security of White employees in other areas and become the subject of debate at Industrial Council level
 - trade union pressures on members to pull in the reins on productivity developments for strategic reasons
- "To make this process of joint consultation work," says

de Villiers, "JPAC's must have the responsibility for the planning and execution of changes to solve specific problems when working within the framework of the agreed objectives and the principles for productivity improvement negotiated at Council level.

"Attitudes can be moved in a positive direction if the group accepts productivity objectives which will have rewarding consequences, and if it identifies itself with the achievement of specific improvements, based on measurement "

Use of incentives

Work measurement is one of the most powerful aids in productivity development. This applies not only to its use in achieving optimum manning in work simplification, in productivity measurement and in planning, but also to its applications in incentive schemes.

According to de Villiers, "A monetary incentive is probably still the most effective in AE & CI in raising the standards of productivity of the unskilled and semi-skilled Non-White employee.

"Existing incentive schemes, which relate tangible production outputs to physical effort on an individual basis, have proved very successful over a long period of time. These schemes have to be kept up-to-date, the job incumbents must be properly trained and the bonus earned must be protected in situations where the influencing factors are beyond the control of the participants.

"The application of individual incentives to White skilled workers in the engineering maintenance field has been discontinued. As with most other companies who took this step, mainly because of malpractices and considerable pressures from both engineering management and the trade unions concerned, there was a drop in productivity levels.

"There is therefore renewed interest — on the part of management and the skilled employee — in group incentive schemes which pay a premium for higher productivity levels actually achieved by natural working teams.

"The first schemes of this nature were applied in the engineering production field and have stimulated interest in productivity and the determinants of higher productivity levels in each work situation. Depending on the circumstances, these productivity gains are measured by improvements in both variable and fixed costs and for outputs which are above predetermined levels. As with any other financial incentive scheme however, the full commitment of middle management — although it does not directly participate — is absolutely essential "

This change in emphasis from piece work to team work gives the employee a different view of departmental business objectives, and demands insights into the options which the individuals and the group have, in optimising productivity gains. This does not happen overnight and, in addition, new entries to the team tend to disturb the pattern of results.

In production departments, where the group involves both engineering and process workers, progress in introducing these business schemes has been even slower. This is mainly because of the detailed studies that are necessary to validate standards, particularly on engineering maintenance costs.

An important stage, before a scheme becomes fully operative, is that participants must understand the sensitivity of the standards to individual efforts and the relative cost significance of productivity gains on each of the variables influencing productivity. For example, in one of the AE & CI schemes

- an additional 1 000 tons of output, representing a 3 per cent improvement, will result in a productivity gain of R34 000 per annum
- a 10 per cent improvement in maintenance costs will achieve R35 000
- by the elimination of waste and all sub-standard material, the gain will be R156 000
- an improvement of 1 per cent in material efficiencies will provide R124 000

These gains are all possible and are all directly influenced by the efforts of the group concerned and of the individuals

within it. Therefore, once the scheme is in operation, the individual must be given continuous feedback on his own contributions.

Problems that are encountered in the operation of these schemes are:

- a time lag between many actions and related results
- intershift competition on continuous plants can develop into conflict
- the size of teams necessary to eliminate the influences of external factors can mitigate against team effectiveness

Says de Villiers, "The magnitude of the task of successfully introducing and operating these schemes is tremendous, but the spin-off in motivating employees to higher productivity levels and in achieving cost effective training can be very worthwhile to enterprise."

Analytical techniques

Job analysis forms an important part of the AE & CI productivity programme and has the following main objectives:

- to achieve the best grouping of tasks so as to rationalise work loadings and achieve the most effective application of skills
- to set correct complements and work performance standards
- to provide the necessary job data for better selection, placement and effective training needs analysis
- to develop departmental manpower plans

The processes involved include job definition, training needs analysis, job profiling, and manpower planning.

The impact is greatest in areas where the effort, skills and numbers required for optimum performance and productivity are determined by the necessities of a planned production process.

When applied to the sector of employment that is not directly productive, setting correct complements based on work measurement becomes more subjective. Here, job analysis will mainly highlight opportunities for productivity improvement by rationalising work, combining tasks, and improving supervision and planning.

Job analysis demands close co-ordination between staff departments such as personnel and productivity services and operating departments. The role of personnel is entirely one of initiation in gearing selection, placement and training systems to achieve the necessary levels of performance in each job and to ensure that the necessary adjustments in the kind and number of employees required at departmental level and across the factory, are possible. "This means that the personnel section must know the occupational abilities of each individual in the total available labour force. In the recruitment of new employees, the emphasis must be on the abilities and attributes of the individual," says de Villiers.

A look at the future

Looking at the future de Villiers says, "There can be no doubt that a major factor influencing productivity in the next decade will be to train, where possible, the existing White labour force to develop technical and leadership skills, and to train large numbers of Non-Whites adequately to perform semi-skilled and skilled work."

"The average Non-White worker has some way to go, in terms of opportunity and training, before he can effectively perform many of the semi-skilled jobs currently performed by Whites. The changes and adjustments that will be needed, represent a long-term task of considerable magnitude. In addition, these changes must take place in terms of positive and carefully thought out plans in each occupational category and with specific objectives that must anticipate manning requirements in the foreseeable future. Organisation structures must also be created within each work area to provide the necessary job opportunities for the development of present levels of skill to the new standards."

"More attention will have to be paid to channelling both White and Non-White workers into occupational categories according to their qualifications, aptitudes and potential. The early identification of this potential, particularly among



Rocco de Villiers

Non-White workers, can be done effectively only by aptitude testing, by creating suitable job opportunities, by simulation techniques and by carefully designed basic training courses.

"Trade union leaders and White employees, who, despite all the objective evidence that exists — including totally unacceptable turnover levels — are still saying, 'prove to us that there is or will be a shortage of White workers' can only be viewed as showing little understanding of the factors that will determine the success or retrogression of payroll productivity programmes in South Africa."

"The present situation presents great challenges and places heavy responsibilities on those involved in the employer/trade union interface in industrial councils. There must be a sincere and objective evaluation of the problems of future output levels, in a spirit that recognises the relationship between productivity and profitability, and the dependance of everyone on higher productivity." □



Where are you going to hold your next Convention?

Why not move out of town? Out of the hustle and bustle? Come on out into the mountain air of the Magaliesberg.

The Safari Hotel in Rustenburg has just opened one of the biggest convention Halls in the Country. Rooms accommodating from 10 to 150 people now available. Equipped with projectors, screens, public address systems, demonstration equipment.

Hotel facilities include complete air-conditioning, swimming tennis, bowls, sauna and easy access to an 18 hole golf course. And it's less than 2 hours west of Johannesburg. Tariff from R10,10 per day per person, fully inclusive.

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Commande Follok with the Nats in Natal

13/8/76 PM.

LONGER WORK WEEK

MR. FANIE BOTHA, Minister of Labour and Mines, made a plea yesterday for a return to a five-and-a-half-day working week.

South Africa would have to work its way out of the economic trouble it was in and, he told the Natal National Party Congress, not as much work could be done in five days as in five and a half.

He was reacting to a resolution, which was accepted without a vote, urging the country to return to a six-day working week.

It was not easy for a Government to pass laws forcing people to work longer. It was rather a question for each individual and industry to decide themselves.

A five-day week in the coal mining industry would mean a loss of production and a shortage of coal. Some people would have to go cold, and this was likely to affect Blacks more than Whites which could lead to a deterioration in relations.

To maintain production capacity at its present level a R50 million investment in machinery would be necessary.

Few people had worked themselves to



death, but many got into trouble for not doing enough, said Mr Botha.

"We can get out of trouble in only one way and that is to work our way out," he said.

Earlier, Senator Hendrik Kloppe told the congress South Africa should ask itself if it could afford to continue with a five-day week.

A disaster would hit South Africa if the mine workers went ahead with their threat to go on strike. They had a strong case, and were rightly asking why they should be the only people to work a 48-hour six-day week when others worked fewer hours and days.

A strike could have serious implications for the country's balance of payments situation and income.

It could also mean the closure of 16 "borderline" mines with the result that 2700 Whites and 26 000 Blacks would have to look for work elsewhere.

158

PRODUCTIVITY

247

15/3/77

12/7/79

But we do not
We want bread
We don't war
We don't want
institutions whose
We no longer
colonial administration
We want of you
We repeat that
criminatorious laws
We have the same
We shall disseminate
We are daring,
We shall learn
The gangrene of
strength to act. No
We are beasts of burden
Enough, gentlemen

DOF 247
14/2/79 - Nim

SOUTH AFRICA has the lowest productivity growth in the world and one of the highest population growths, according to Dr. Jan Visser, executive director of the National Productivity Institute.

production, administration, financing, the commercial function of buying and selling and personnel management.

“You should also remember that 85 percent of the Black workers in South Africa have an education of standard five or less

"Start training people. You are not making enough use of the colleges of advanced technical education."

We are fed to the teeth. Fed up with supporting you, with suffering the terrible consequent

4. The Voice of Protest and the Demands of Nations

6966

Hard on the mouthpiece, 'WHIT'S THAT?' concluding

Flight of fancy, all truthfulness changed her name

I choose. West African separatism and an international 'Down in my passport', Silencing the electronic

Impersonality. Rapidly, wave-enthused, and

Her assent was clinical, crushing and light

ARE YOU DARK? OR VERY LIGHT? (Questionnaire)

The Buchanan-Fallick model based on co-allocations goes beyond the simplistic rich-poor continuum and considers the full political implications of public choice and non-voluntary redistribution. (Fallick, IEA)

Unfortunately (and conversely?) it also goes beyond the scope of this paper.

(7) CONCLUDING COMMENTS

Most of these are in the form of a book of readings (No. 12) entitled THE

ECONOMY OF

(1) A. A. Tullock
(2) G. Tullock

(3) A. J. Culyer

(4) T.R. Ireland
The calculus of philanthropy

(5) D.B. Johnson
The charity market theory and

(6) M. H. Cooper & A. S. Culyer
The economics of saving and investment

K. E. S. Publishing Co.

1010
K. E. Boulding
M. W.

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THE
AMERICAN
WOMAN

(The following names are those appearing in the original manuscript.)

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Productivity
281

Expert calls for higher productivity

Labour Reporter

A leading spokesman for South African management has called on trade unions and workers to press sluggish managements for greater productivity.

"Push for productivity which will warrant pay increases," said Mr Paul Penzhorn, executive director of the National Development and Management Foundation (NDMF), one of the signatories of the anti-inflation manifesto.

He expressed concern at growing worker dissatisfaction with the restraints of the manifesto which were due to expire at the end of this month.

EMPHASIS

"The restraints should be extended — not abolished — but the emphasis must shift to productivity which will reduce or eliminate sacrifices," Mr Penzhorn said.

Unless the pay demands now in the offing were based on increased productivity, they would aggravate unemployment and

nullify past sacrifices by accelerating inflation once more.

"We all know productivity increases depend primarily on management. But we never hear of trade unions which attack managements for failing to live up to their responsibilities in this regard," he said.

"The fact is that South

African managements no longer have any excuse for failing to raise productivity which has been lagging far behind that of other countries. Various studies have shown that there is great scope in this area."

Workers should ask sluggish managements what they had done to take advantage of the package programmes on producti-

vity which the NDMF had made available to them as part of the anti-inflation manifesto.

By doing that they would fight inflation and wage erosion because the manifesto did not demand sacrifices where pay increases were offset by productivity, Mr Penzhorn said.

FIN MAIL 8/4/77
INDUSTRIAL TRAINING
Waiting for the EDP 251

in such fortunate
 reluctant to delay
 many other African
 including boarding
 urban areas, not to
 and transport, etc.
 their primary ex
 negligible.

Worried about the late arrival of the 1976-1981 Economic Development Programme (EDP), industrial training planners in Pretoria are wondering if a projected national industrial training conference will materialise this year.

The conference was to be organised by the National Productivity Institute (NPI), who ask "How can we plan ahead when we aren't certain of the Republic's

estimated growth rate over the next five years?"

It is true that in the education of the force. Of particular of the agricultural situation. The chair Affairs Committee, M platteland to the la institutions both as Province Agricultural unable to enter seco of hostel facilities uncommon refusal of schools had been pa

The idea was to call the conference around June or July. All sectors of industry would have been invited to attend because, says one NPI executive, industry's training problems are now frightening.

A key document in the NPI's struggle to make industrialists realise how important training is would have been a special report on SA's requirements over the next five years. It would have been circulated to key industry leaders. Since the NPI does not know the EDP's projected growth rate, it says it has been unable to prepare the report.

Only a handful of local industries have their own training boards (furniture, saw-milling and civil engineering). Employer reluctance to train blacks is seen by the NPI as "self-destructive".

Comments John Lawrenson, author of NPI's recently published proposals for an integrated system of manpower training and development in the clothing industry: "People are more interested in tax relief than the benefit workers derive from modern training systems."

In the future the B. accommodation in towns serving the rural areas for the children of farm workers but these intentions are still very much in the planning stage. Furthermore, after liaison with the agricultural unions it was decided that one of the eight state industrial training centres would be allocated to the agricultural sector in order to improve the mechanical skills of farm labourers. Whether these moves will have a significant impact on the deprived state of rural education remains to be seen.

er, parents may well be
 ar market. Of course,
 igher education
 : in the homelands or the
 tionery, school uniforms
 farm children who complete
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a greater interest in
 operly, potential labour
 , especially of late,
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hools with hostel

FARM SCHOOLS FOR 'COLOURED' CHILDREN :

GENERAL INTRODUCTION

Much of what has been said about African farm schools holds good for rural schools for 'coloured' children. I shall, therefore, confine myself to

^{16/} Rapport, 25 August 1975.

^{17/} Daily Dispatch, 5 June 1975.



Corporate bum . . . touchy, evasive and broke

and coloured workers at R3m weekly. Added losses caused by female and black — with possibly a few Asian — alcoholics are incalculable

Sodden tramps sleeping with a wine bottle for a pillow make up, says Whitby, only 3% of people seriously affected by drink. The other 97% encompasses workers from the lowest labourer to highly-paid executives protected by well-meaning subordinates and loyal secretaries

"I'm not suggesting a witch-hunt for alcoholics. The best approach is monitoring performance and referring those who fail to come up to acceptable standards to professional counselling," says Whitby.

Sanco statistics suggest that following this advice would jam counsellors' waiting rooms for a long time to come. Whitby says that among whites and coloured males one worker in 16 becomes an alcoholic who is at best only 75% efficient while affected by the long and progressive illness

In this narrow category alone he calculates

there are 200 000 men who are alcoholics or, to be more sympathetic, at least have serious drink problems.

Serious, too, for the company paying good money for a man not pulling his weight, failing to turn up, a burden on medical aid funds and prone to making costly mistakes

Whitby points out that doctors rarely perhaps never — write "alcoholism" on an absentee's sick note but cover up the days lost (US research shows heavy drinkers lose 22,5 days' work annually) by describing the sufferer's condition as a cold, gastritis, neuritis or cirrhosis

"Many companies say they have no policy on alcoholism but in fact all companies have," says Whitby

Policies range from denying they have a drinker on the payroll to simply sacking any they find keeling over on the job. With 75% of SA adults regularly taking alcohol Sanca wants to see the alcoholic treated as a sick man rather than a ridiculous bum protected by foremen and workmates till the boss finds out

It is at the executive level, however, that the drinker is most dangerous to his company and probably most protected from detection

"The alcoholic executive has cost a great deal of money to train, his time is valuable and he's costly to replace but his judgement is impaired and his decisions can result in serious business setbacks," says Whitby

Spotting a man being dragged down by drink is not hard ("although many secretaries protect their boss for years") as he loses zest, takes time off, avoids decisions, becomes evasive, touchy and isolated. Yet virtually all employers do nothing until the man is in debt and having black-outs.

By this time there's no alternative to dismissal but, as Whitby points out, we're fast reaching the stage where he'll be replaced by another highly-paid sacked drunk.

FIN. MAIL
ALCOHOLISM 17/6/77
Staggering cost 251

Industrial drunks are hitting productivity so badly that accountants could probably get away with writing them off as bad debts or contributions to charity.

SA National Council on Alcoholism (Sanca) information officer Edward Whitby puts the direct cost (lost time and poor performance) of tipping for white

Associations as well as interested individuals

entirely on the willingness of members of farm study action with E.A. Thomson in the Eastern Cape.

lod, and in particular 1973, is a farm labour survey d in employment and wages paid. The main source

ice and the attitudes of employers, and the changes

approximately two decades and to note some of the

s paper is to survey the farm labour conditions in the

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REPORT 19.6.77

Die Nasionale Produktiwiteitsinstituut se verslag oor die bedryf wat pas verskyn het toon dat die saagmeulenaars baie kan wen deur al hul produksiefaktore beter aan te wend

Die verlies aan hout of die afgradeer daarvan was ook grootliks die skuld van die meulens self. Daar is gevind dat in 68 persent van die gevalle dit regstreeks toegeskryf kan word aan beheerbare foute by die meule self.

(1) 251



Mechanisation plans faulted

N. Mervin Finance Reporter 10/8/77

RECENT mechanisation programmes have failed to produce an increase in productivity, according to a survey of 75 engineering firms in South Africa, carried out by a leading management consultancy company.

Speaking at a seminar for a number of Natal industrialists in Durban on Monday, Mr Tony Bell of PE Consulting Group's Industrial Division, said companies all over South Africa were included in the survey.

He said that the results of the recently completed survey had not justified the amount of money spent on the machinery.

'As all the machinery is imported, the effect this is having on the balance of payments is criminal,' said Mr. Bell.

It has also resulted in workers who had been displaced being turned on to the streets unnecessarily, he said.

Mr Bell said there had been an increase in mechanisation after the unrest last year.

Newsletter

SEPTEMBER 1977

NO 8

251

NPI CHAIRMAN

Dr Sebastiaan Kleu was appointed Chairman of the Productivity Advisory Council by the Minister of Economic Affairs in 1972

Dr Kleu is well suited for this job as not only does he have close ties with the Government as Chairman of the Board of Trade and Industry, but he also has worked in the private sector for a number of years as business editor of Die Burger

Dr Kleu has an impressive academic career which culminated in a DBA from Harvard in 1966

On his return to South Africa he joined the Board of Trade and Industry where he was later appointed as Deputy Chairman. In 1967 and 1968 he also held the post of Professor of Business Economics at the Rand Afrikaans University

He is a member of the Economic Advisory Council to the Prime Minister as well as a member of the Hotel Board



Dr S J Kleu

LABOUR STANDARDS DETERMINED

Work measurement permits the planning, estimating and controlling of the labour input. Simplified work measurement facilitates this process. The development of a system of simplified work measurement entitled Integrated Business Control (IBC) has been developed in South Africa by Mr Ken Glassby, consultant to the NPI. It is easily understood by staff and management. Under certain conditions IBC data developed for a specific job situation are transferable and can be used to set times for other jobs in other firms under given conditions.

The time taken to do a job is equal to the sum of the times taken to complete all the elements of the job. These elements are called data blocks. The development of synthetic data blocks in work measurement has been used extensively on an international basis.

An example of how to build up a data block is given in the following illustration

The description of the data block for walking is "distance walked" and a time can be calculated for this data block, e.g. 15 minutes per kilometre ($\frac{\text{TIME}}{\text{DISTANCE}}$). By using this data the time it would take to walk a specific distance can be derived, i.e. to walk four kilometres it would take 60 minutes.

Data blocks are sensitive to "condition factors". These are variables which exercise an influence on the time value estimated per data block. Time values indicated by one set of condition factors must be modified to render the data usable under different conditions, for example — a time calculated for a labourer to dig a trench would generate a data block called "time per cubic metre of soil removed". This time is sensitive to condition factors such as the texture of the soil, the presence of rock or clay and environmental conditions such as heat or rain. The contribution of such condition factors to the time taken to do the job must be measured before the data can be used anywhere else.

IBC establishes condition factors to take these variables into account. It is done in the following manner. (Note: The example and all values are hypothetical)

- (a) Basic time — two hours per cubic metre of soil removed
- (b) Condition factors —
 - Raining + 28%
 - Soil texture — pick required + 25%
 - Pneumatic drill required + 45%
 - Temperature — add 2% for every degree above 30°C

From the above data it is possible to develop a data block time which becomes transferable under different, but specified, condition factors.

How are these data blocks developed?

To develop times for data blocks the NPI uses Multi-stepped Linear Regression Analysis (MRA). By using a computer the relationship between variables (data blocks) can be determined. To develop new data, time studies must be taken of a certain number of jobs and all data blocks and condition factors present must be recorded. The number of time studies per job depends on the complexity of the job, but it normally takes between one and ten man weeks to develop a set of data needed for a job. This set of data is analysed by means of MRA to develop data blocks and factors. When data have already been developed for certain activities in one firm, the application of this data in another firm would take far less time than traditional techniques would take.

NPI investigates Telecommunications

The National Productivity Institute was requested to do a productivity survey on the activities of the Transvaal region of the telecommunications section of the Post Office

Investigations have started in certain departments and the National Productivity Institute is receiving full co-operation from the Post Office

It would be an impossible task to cover all telecommunications activities so it has been decided to concentrate the survey on activities which are measurable and where the impact of improvement would be of the greatest value

(cont from page 1)

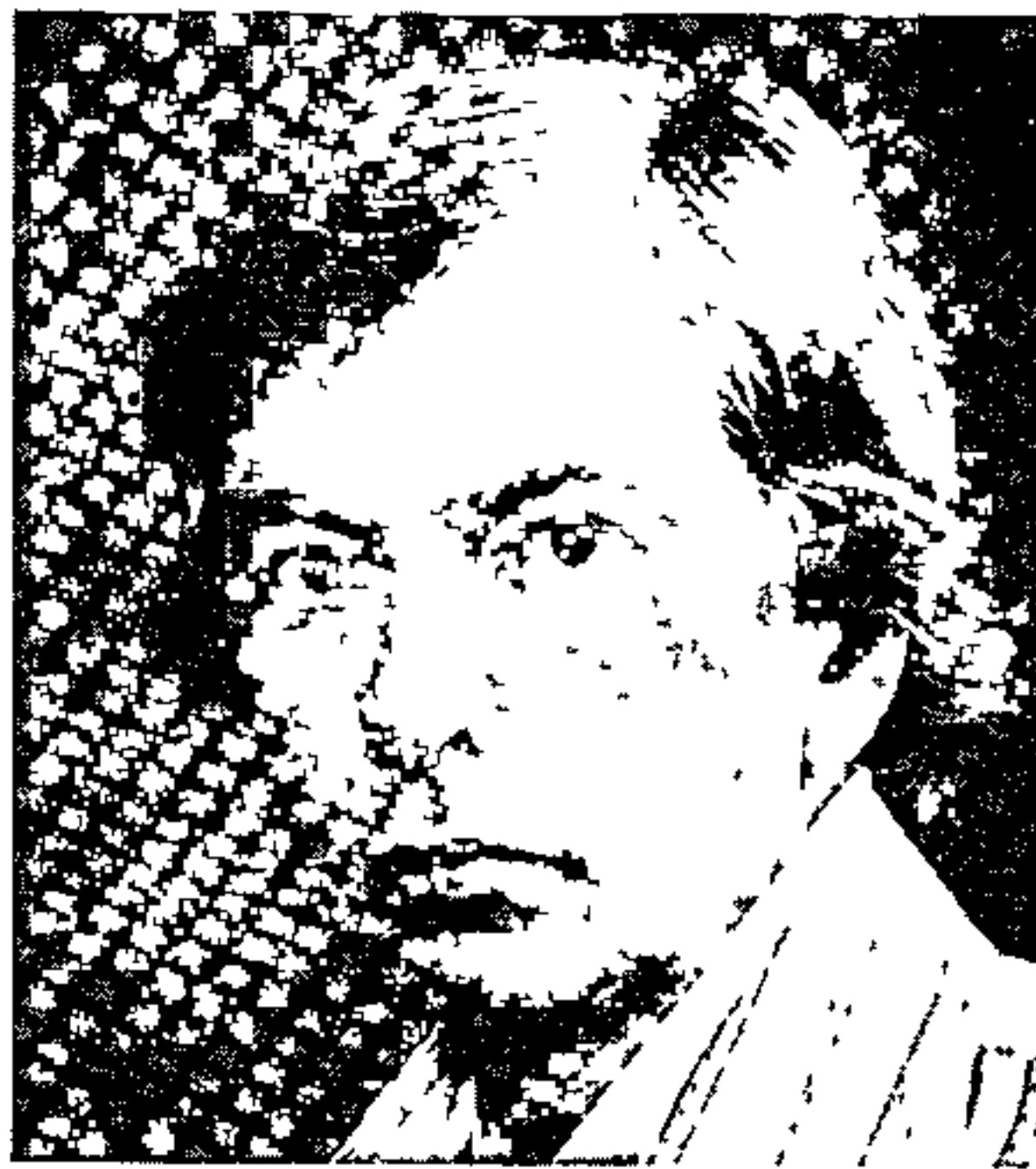
Data sets are available for

- (a) Maintenance work
 - Panel beating
- (b) Administration
 - Clerical work
 - Computer card punching
 - Filing, sorting, etc
- (c) Production
 - Motor assembly
 - Metals engineering (Profile cutting, bending, shearing, sawing)
- (d) Construction
 - Bricklaying
 - Shutter erection and formwork
 - Steel fixing

Data sets are being developed for

- (a) Maintenance work
 - Cars, heavy vehicles
 - Heavy plant machinery
 - Road maintenance
- (b) Production
 - Metals engineering (Welding, assembly, Machine shop, etc)
- (c) Construction
 - Excavating and earthmoving
 - Concreting

The aim of the NPI is to improve the productivity of South Africa as a whole. The NPI has therefore made available the use of IBC to consultant firms in South Africa and will assist them in applying it



Noel Klomfass conducted the marketing investigations in the textile firms. This NPI service is available to all businesses in South Africa

Clothing Industry

Cutting Room productivity examined

The Clothing Industry Productivity Association (CLIPA) is conducting an interfirm comparison survey of cutting rooms. About 50 firms manufacturing shirts, trousers and dresses will take part in the survey.

Areas being investigated, amongst others, are cutting times per unit produced, laying up times per metre material laid up, labour productivity, investment in equipment and the use of floor space.

The results of the interfirm comparison will be published by CLIPA at the end of November and will be available from

CLIPA
P O Box 3971
PRETORIA 0001
Telephone 32306

Price R10 members
R20 non-members

This newsletter is available on request from

National Productivity Institute
P O Box 3971
PRETORIA
0001

Telephone 32306

Marketing in the Textile Industry

The importance of the textile industry to the South African economy is illustrated by the following statistics for 1976

Employment	112 000 people
(9,5% of total S A manufacturing industry)	
Salaries and wages	R204 million
(5,4% of total S A manufacturing industry)	
Value of sales	R1 100 million

During 1976 import permits issued to makers-up and to textile distributors totalled R225 million. The textile industry claims that at least a third of this could have been manufactured locally — a saving of more than R70 million in foreign currency.

Extensive curbs on imports can only be effectively defended when local industries are fully efficient. This fact has been recognised by a number of firms in the textile industry and in order to do this they have associated themselves with the National Productivity Institute and have formed the Textile Industry Productivity Unit (TIPU) to improve productivity. The productivity measurement and improvement work done by the NPI in the textile industry has recently been extended to include marketing studies.

The average textile mill is highly plant, process and product orientated but has tended to overlook market wants and market trends. It is easy to understand this lack of market orientation in a highly technical and mechanical intensive industry. However, this lack has had serious consequences, there has not been an understanding of the whole marketing process, which includes the accurate identification of target markets, the assessment of precise current and future needs of these markets and the creation of an organisation to satisfy these needs.

The results of investigations done have shown that the NPI can give useful assistance in this vital sphere of business activity.

Sawmillers discuss their productivity

A seminar on the sawmilling industry was held on 1 and 2 September for management teams from firms that took part in the National Productivity Institute productivity survey.

NPI VOORSITTER

Dr. Sebastiaan Kleu is in 1972 deur die Minister van Ekonomiese Sake aangestel as Voorsitter van die Produktiwiteitsadviesraad. Dr. Kleu is besonder geskik vir hierdie taak aangesien hy 'n noue verbinde is met die Regering in sy voltydse hoedanigheid as Voorsitter van die Raad van Handel en Nywerheid en ook omdat hy vir 'n geruime tyd in die private sektor gewerk het as ekonomiese redakteur van Die Burger. Dr. Kleu het 'n indrukwekkende akademiese geskiedenis wat in 1966 gekulmineer het met die behaal van 'n DBA Graad te Harvard.

Na sy terugkeer na Suid-Afrika het hy by die Raad van Handel en Nywerheid aangesluit waartoe hy later bevorder is tot onder-voorsitter. In 1967 en 1968 was hy ook professor in bedryfseconomie aan die Randse Afrikaanse Universiteit.

Hy is 'n lid van die Ekonomiese Advies van die Eerste Minister asook van die Hotelraad.



Dr S J Kleu

BEPALING VAN ARBEIDSTANDAARDE

Werksmeting bevorder die beplanning, beraming en beheer van die arbeidsinsette. Vereenvoudigde werksmeting sal hierdie proses vanselfsprekend vergemaklik. So 'n vereenvoudigde metode van werksmeting, genoem Geïntegreerde Ondernemingsbeheer, is in Suid-Afrika deur mnr. Ken Glassby, 'n konsultant van die NPI, ontwikkel. Hierdie stelsel van werksmeting word maklik deur die bestuur van die personeel van 'n onderneming verstaan.

Data wat vir 'n besondere werksituasie ontwikkel is, is onder bepaalde omstandighede oordraagbaar en kan gebruik word om standaardtye vir ander soorte werk in ander ondernemings onder 'n gegewe stel omstandighede vas te stel.

Die tyd wat nodig is om 'n taak in geheel of gedeeltelik uit te voer, bestaan uit die som van die tye verbonde aan sekere elemente waaruit die taak of deel van die taak bestaan en hierdie elemente word datablokke genoem. Die ontwikkeling van sintetiese tydstandaarde om datablokke op te bou word reeds vir 'n geruime tyd op 'n internasionale basis gedoen.

'n Voorbeeld van die metode om 'n datablok op te bou word in die volgende illustrasie verduidelik.

Die beskrywing van die datablok vir „loop”, is „afstand geloop” en 'n tyd kan bereken word vir hierdie datablok, bv vyftien minute per kilometer ($\frac{T}{AFSTAND}$). Deur hierdie datablok te gebruik kan die tyd om 'n spesifieke afstand af te lê, afgelei word, byvoorbeeld om vier kilometers te loop sal dan 60 minute neem.

Datablokke is gevoelig vir omstandighedsfaktore, dit wil sê, is veranderlikes wat 'n invloed op die beraamde tydwaarde van 'n datablok uitoefen. Tydwaardes wat onder die werking van die bepaalde omstandighedsfaktore geld, moet aangepas word om die data bruikbaar te maak vir veranderde omstandighede, bv die tyd bereken vir 'n werker om 'n sloot te grawe, kan beskryf word deur 'n datablok genoem „tyd per kubieke meter grond verwyder”. Hierdie tyd is gevoelig vir omstandighedsfaktore soos die tekstuur van die grond, die aanwesigheid van klip of klei en omgewingsfaktore soos hitte of reën. Die bydrae van hierdie soort faktore tot die tyd wat dit neem om die werk te voltooi, moet gemeet word voordat die tye sondermeer op 'n ander plek gebruik kan word.

Geïntegreerde ondernemingsbeheer kwantifiseer sekere faktore wat 'n invloed uitoefen op die datablokke. Die manier waarop dit gedoen word, word deur die volgende hipotetiese voorbeeld verduidelik.

- (a) Basiese tyd - twee uur per kubieke meter grond verwyder
- (b) Omstandighedsfaktore
 - Reën - basiese tyd plus 28%
 - Grondstruktuur - (pik moet gebruik word) basiese tyd plus 25%
 - Lugdruktoer benodig - basiese tyd plus 45%
 - Temperatuur - tel 2% by basiese tyd vir elke graad bo 30°C

Uit bogenoemde data is dit moontlik om 'n datablok te ontwikkel wat oordraagbaar is onder verskillende maar gespesifiseerde omstandighedsfaktore.

Hoe word hierdie datablokke ontwikkel?

Om tye vir datablokke te ontwikkel gebruik die NPI multi-stap liniêre regressie analise (MRA). Deur 'n rekenaar te gebruik kan die verhouding tussen verskillende veranderlikes (datablokke) bepaal word. Om nuwe data te ontwikkel moet tydstudies gedoen word van die tyd wat dit neem om 'n bepaalde aantal take te verrig. Al die datablokke en die faktore wat teenwoordig is moet aangeteken word. Die aantal tydstudies per taak of gedeelte van die taak wat benodig word, hang af van die kompleksiteit van die taak. Normaalweg neem dit tussen een en tien manweke om 'n stel data te ontwikkel. Wanneer data alreeds ontwikkel is in 'n

Telekommunikasie word ondersoek

Die Nasionale Produktiwiteits-instituut is deur die Poskantoor versoek om 'n produktiwiteitsonderzoek van sy telekommunikasie-afdeling te doen ten einde moontlikhede vir produktiwiteitsverbetering na te speur. Die ondersoek is reeds aan die gang en goeie samewerking met personeel van die Poskantoor word ondervind.

Weens die besondere omvang van die telekommunikasie-afdeling is dit uit die aard van die saak onmoontlik om alle fasette te ondersoek. Daar word dus slegs klem gelê op aktiwiteite wat meetbaar is en waar die trefkrag van produktiwiteitsverbetering van die meeste waarde sal wees.

(verv. van bl. 1)

onderneming neem dit baie minder tyd om dit in 'n ander onderneming te installeer as wat tradisionele metodes sou neem.

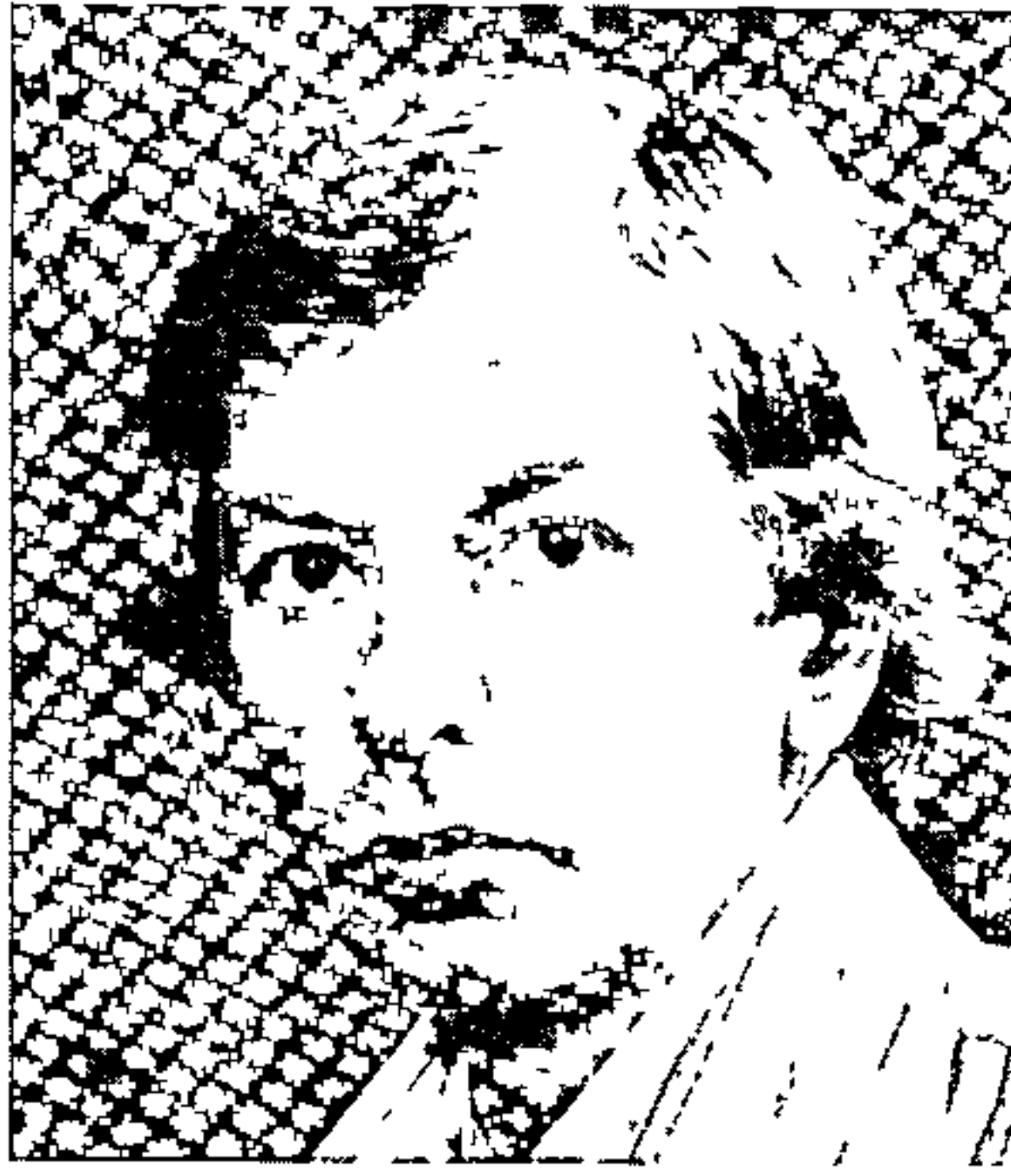
Datastelle is beskikbaar vir

- (a) **Instandhoudingswerk**
Bakherstelwerk
- (b) **Administrasie**
Klerklike werk
Pons van rekenaarkaarte
Liasering, sortering, ens.
- (c) **Produksie**
Monteer van motorkarre
Metaalingerieurswerk
(Profielsnywerk, buig, sny en saag van metaal)
- (d) **Konstruksie**
Messelwerk
Oprigting van bekisting en gietkiste
Vasbind van staalbewapening

Data word op die oomblik ontwikkel vir die volgende aktiwiteite:

- (a) **Instandhoudingswerk**
Motorkarre en swaar voertuie
Swaar fabriekstoerusting
Paaie
- (b) **Produksie**
Metaalverwerking
(Sweis en monteerwerk, Masjienkamer, ens.)
- (c) **Konstruksie**
Uitgrawings en grondverskuiwing
Betonwerk

Die doel van die NPI is om die produktiwiteit in Suid-Afrika as 'n geheel te verhoog. Geïntegreerde ondernemingsbeheer is ontwikkel om dit moontlik te maak om arbeidsproduktiwiteit te meet. Die NPI het hierdie sisteem tot die beskikking van raadgevende firmas gestel en sal alles moontlik doen om hierdie ondernemings te help om die stelsel behoorlik te benut.



Noel Klomfass was verantwoordelik vir die bemarkingsondersoeke wat gedoen is by die tekstielondernemings. Hierdie diens is beskikbaar vir alle ondernemings in Suid-Afrika.

Bemarking in die Tekstielbedryf

Die belangrikheid van die tekstielbedryf in die Suid-Afrikaanse ekonomie word deur die volgende statistieke vir 1976 geïllustreer:

Indiensneming 112 000 persone
(9,5% van totale Suid-Afrikaanse vervaardigingsnywerheid)

Salarisse en lone R204 miljoen
(5,4% van totale Suid-Afrikaanse vervaardigingsnywerheid)

Waarde van verkope R1 100 miljoen

Gedurende 1976 is invoerpermitte ten bedrae van R225 miljoen uitgereik aan klerevervaardigers en verspreiders van tekstielware. Die tekstielbedryf beweer dat ten minste 'n derde van hierdie ingevoerde produkte plaaslik vervaardig kon word — 'n besparing van meer as R70 miljoen aan buitelandse valuta.

Uitgebreide invoerbeskerming kan alleenlik verleen word wanneer die plaaslike industrie heeltemal doeltreffend is. Dit is 'n feit wat deur 'n aantal maatskappye in die tekstielbedryf erken word en om hoer doeltreffendheid te bereik het hul hulself geassosieer met die NPI se produktiwiteits-eenheid vir die tekstielbedryf (TIPE). Werk op die gebied van produktiwiteitsmeting en -verhoging van arbeidsdoeltreffendheid deur die NPI se produktiwiteits-eenheid is onlangs uitgebrei om bemarkingstudies in te sluit.

Die gemiddelde tekstielonderneming is hoofsaaklik toegespits op toerusting, prosesse en produkte en is geneig om die belangrikheid van markbehoefte en marktendense oor die hoof te sien. Dit is maklik om te verstaan dat hierdie gebrek aan 'n bemarkingbewustheid in 'n hoogs tegniese bedryfstak soos die tekstielbedryf kan voorkom. Hierdie gebrek het egter baie belangrike gevolge. Daar is nie 'n behoorlike kennis van die hele bemarkingsproses wat onder andere die volgende insluit: die akkurate identifisering van doelwitmarkte, die evaluering van die huidige en toekomstige behoeftes van die markte en die skepping van 'n organisasie om hierdie behoeftes te bevredig.

Die resultate van ondersoek wat gedoen is toon dat die NPI nuttige advies gee in hierdie uiters belangrike besigheidsaspek.

Saagmeulenaars bespreek produktiwiteit

'n Seminaar is op 1 en 2 September gereel vir bestuursspanne van ondernemings wat deelgeneem het aan die NPI se Produktiwiteitsopname in die saagmeulbedryf.

Klerebedryf

Snykamerproduktiwiteit onder die soeklig

Die Klereindustrie Produktiwiteits-assosiasie (KLIPA) onderneem tans 'n bedryfsvergelykende studie van snykamers. Nagenoeg 50 ondernemings wat hemde, broeke en rokke vervaardig, sal aan die studie deelneem.

Verskillende aspekte sal ondersoek word, ondermeer snytye per eenheid vervaardig, op lê-tye per meter materiaal opgelê, arbeidsproduktiwiteit, investering in toerusting, en die benutting van vloeroppervlakte.

Die resultate van die bedryfsvergelykende studie sal deur KLIPA teen die einde van November 1977 gepubliseer word en is beskikbaar vanaf:

KLIPA
Posbus 3971
PRETORIA 0001
Telefoon 32306

Prys R10 aan lede
R20 aan nie-lede

Die nuusbrieff is beskikbaar van

Nasionale Produktiwiteitsinstituut
Posbus 3971
PRETORIA
0001

Telefoon 32306

NATIONAL PRODUCTIVITY INSTITUTE FIRST ANNUAL REPORT

1 APRIL 1976 – 31 MARCH 1977

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NATIONAL PRODUCTIVITY INSTITUTE
P.O. Box 3971 Pretoria 0001
Tel: 32306

NATIONAL PRODUCTIVITY INSTITUTE

FIRST ANNUAL REPORT

1 APRIL 1976 – 31 MARCH 1977

1. SUMMARY

The broad aims of the National Productivity Institute (NPI) are to carry out investigations into any factors influencing the productivity of the national economy and thereby the prosperity of the whole population of the Republic of South Africa

This is the first annual report of the NPI since its establishment as a private non-profit making company under Section 21 of the Companies Act, on 1 April 1976

The report highlights some of the main developments during the year under review – a year during which, despite the fact that several industrial sectors were badly affected by the downturn in the economy, significant progress with improving productivity was achieved

2. HISTORY OF THE NPI

In 1966 organised trade and industry requested that the Government establish an organisation to promote productivity on a scientifically coordinated and permanent basis. The Minister of Economic Affairs approved this and the Productivity Advisory Council (PAC) was formed. Most bodies and associations directly concerned with productivity improvement are represented on this Council as well as three individuals, nominated in their private capacity because of their specialised knowledge of productivity. The following are members of the PAC



Dr Jan Visser, Executive Director of the NPI

ORGANISATION

(a) ORGANISED TRADE AND INDUSTRY

South African Federated Chamber of Industries (FCI)

Steel and Engineering Industries Federation of South Africa (SEIFSA)

Die Afrikaanse Handelsinstituut (AHI)

Association of Chambers of Commerce (ASSOCOM)

REPRESENTATIVE

H C Morcombe	
R D Smith	(Alternate)
W F Spence	
E P Drummond	(Alternate)
G J Hupkes	
F P Jacobsz	(Alternate)
H Goldberg	
R W K Parsons	(Alternate)

(b) THE MINING INDUSTRY

South African Chamber of Mines

P A von Wielligh
W S Rapson (Alternate)

(c) ORGANISED AGRICULTURE

South African Agricultural Union (SAAU)

A J Basson
C J P Cilliers (Alternate)

(d) ORGANISED LABOUR

South African Confederation of Labour

Trade Union Council of South Africa (TUCSA)

Federation of Salaried Staff Associations of South Africa

W Bornman
S C Botha (Alternate)
L C M Scheepers
J A Grobbelaar (Alternate)
W J Marais
C J Pretorius (Alternate)

(e) THE BUILDING INDUSTRY

Building Industries Federation of South Africa (BIFSA)

A Combrink
U Bezuidenhout (Alternate)

(f) STATE DEPARTMENTS

Department of Industries
Department of Labour
Economic Adviser to the Prime Minister

Department of Statistics

The Secretary
M van Noordwyk
J P Dreyer
P J D du Toit (Alternate)
T A du Plessis
S de K Venter (Alternate)

(g) STATUTORY BODIES

Council for Scientific and Industrial Research (CSIR)
South African Bureau of Standards (SABS)

P J Rigden
R F J Teichman

(h) OTHER BODIES

National Development and Management Foundation (NDMF)

S Press

(i) INDIVIDUALS

H J J Reynders – Executive Director of the Federated Chamber of Industries
M van den Berg – Managing Director of Interbank Discount House Ltd
L A Beard – Managing Director of Protea Holdings Ltd

(j) CHAIRMAN

S J Kleu – Chairman, Board of Trade and Industries

The National Productivity Institute (NPI), which was established as the work unit of the PAC, functioned under the auspices of an existing statutory body, the South African Bureau of Standards (SABS) because the PAC was not a statutory body and as such was not entitled to control funds or appoint staff. The NPI was fully responsible to the PAC, obtaining its administrative services and legal identity from the SABS. The NPI was fully financed by the Government and reported to Parliament as the final controlling body.

*Dr S J Kleu
(Chairman)*



2.1. Reconstitution

On 1 April, 1976 the NPI was constituted a private non-profit making company with its own board of directors elected from the PAC. The board members are

Dr S J Kleu	(Chairman)
Mr H C Morcombe	(Alternate – H Goldberg)
Mr L C M Scheepers	(Alternate – W Bornmann)
Dr M van den Berg	(Alternate – G J Hupkes)
Mr S Press	(Alternate – W F Spence)



Mr S Press

Mr H C Morcombe



Mr L C M Scheepers



Dr M van den Berg



The NPI is still subsidised by Government and reports to the Productivity Advisory Council and the Minister of Economic Affairs

3. GENERAL REVIEW

This is the first annual report to be published by the NPI since its constitution as a private non-profit company on 1 April, 1976. Previous reports on NPI activities were included in the annual report of the South African Bureau of Standards, in the form of a synopsis of all NPI activities

3.1. Productivity and economic growth

It has always been and continues to be difficult to transmit the meaning of productivity to industry and other organisations in the economy. The concept "productivity" is still misconstrued. For example, it is believed by many that higher productivity can only be achieved through harder work, that in the present economic climate, improved productivity will lead to unemployment, that increased productivity means working longer hours, etc

These beliefs are incorrect and it is imperative that individuals in responsible positions should realise that higher productivity is an integral part of management and a prerequisite for economic growth. Only when this is appreciated can productivity contribute to solving present economic problems and attaining a higher standard of living for the whole population

Productivity is defined as the quotient of output and input, i.e. output divided by input. Output refers to *products* (i.e. goods and/or services) created by the production process. Input refers to *factors* of production (i.e. labour, capital, raw materials, technology) which are combined via the production process to create output

Productivity growth occurs when the relation of output to input increases. This can happen at any point within a spectrum whose limits are

- increased output which has increased to a *greater* degree than an attendant increased input
- decreased output which has decreased to a *lesser* degree than an attendant decreased input

The first case is desirable in the South African situation where productivity growth is essential to reconcile the need to create jobs for an expanding population with the need to satisfy expectations for higher standards of living

NPI surveys have shown that the average productivity level in South Africa is only 50% of the achievable level of 100%, although some firms were seen with a productivity level approaching 100%. It is clear that an improvement in the productivity in the country as a whole is of vital importance. This improvement is necessary at all levels of an organisation but it is generally accepted that the ultimate responsibility for a successful productivity program lies with management



Production planning and control is an integral part of productivity improvement

3.2. Productivity advisory services

Studies by the NPI in various branches of industry have indicated a need for specific assistance in individual firms. For instance a productivity unit was formed to assist the clothing industry and the unit's success led to the establishment of productivity units in other branches of industry that had been surveyed. Services were provided for the motor repair, textile, canning and metals and engineering industries. Meanwhile, productivity units are being established for the foundry, furniture and footwear industries. In some instances dramatic improvements have already taken place.

3.3. Surveys of productivity problem areas

In addition to establishing productivity units, the NPI continues to conduct countrywide surveys to identify productivity problems in specific branches of industry and economic sectors. During 1976/7 a report on productivity in the furniture industry was published and a survey was done of the sawmilling industry. Preparations were made for a productivity survey in the telecommunications section of the Post Office at the request of the Postmaster General. Further studies are scheduled in retailing and in the sugar milling industry.

3.4. NPI resources

The NPI employs approximately 30 professional staff and an administrative staff of five. The chart on the inside front cover shows the organisational structure.

The NPI is increasingly being recognised by industrial, research and professional bodies as a responsible, profes-

sional and scientific institute dedicated to serving industry, the economy, and South Africa as a whole.

4. SPECIFIC ACTIVITIES IN SUMMARY

4.1. Ad hoc productivity measurement

In terms of the Anti Inflation Manifesto the NPI undertook to help firms measure their productivity with a view to establishing improvement programs. This service was well received and about 130 companies used it. A follow-up test sample of 30 participating firms showed that the service had been of great value to them.

One of the biggest stumbling blocks in improving productivity is being able to measure it. The NPI has found that without being able to quantify productivity it is impossible to set standards and equally impossible to exercise control. After careful research the NPI has developed a fast and accurate system for measuring productivity which saves highly skilled industrial engineering manpower as minimum training only is required to implement it, and few personnel are needed.

The system, called Integrated Business Control (IBC), has been successfully applied in clerical work measurement and in the building industry. The NPI has entered into an agreement with the Israel Institute of Productivity (IIP) to market IBC throughout the world. The IIP is one of the world's largest productivity centres and over the past 20 years has established "traditional" time standards in many industries. By converting these standards to IBC it should be possible to make these standards more easily available to firms. South Africa stands to benefit substantially through this agreement.

4.2. Marketing

Improved marketing being an integral component of improved productivity a marketing division was established in October 1976. Investigations were carried out in various organisations. Indications now are that improvements in marketing have a profound effect on productivity improvement. In many companies incorrect marketing policy or procedures, rather than poor production, were found adversely to affect productivity.

4.3. Training

During the year under review the National Clothing Federation asked the NPI to carry out a survey into the training needs of the clothing industry. A comprehensive report was submitted which was favourably received by the Federation. As a result of this study, it is envisaged that a training fund will be established for the clothing industry.

A directory of training courses was compiled and published by the NPI to provide a prospectus of all training courses available to industry in South Africa.

4.4. Accounting sciences

The NPI has developed a model, called Dynamic Profitability Analysis (DPA), which assigns changes in profitability to changes in productivity, pricing recovery changes or both. The model shows great promise as a management improvement tool and several large firms are already applying it. It should be of special value in influencing price control decisions.

4.5. Macro economic productivity evaluation

Studies were undertaken to assess the macro impacts on productivity of technological change and tariff proposals.

See Appendix 1 for manufacturing sector trends (page 9)

4.6. Personnel management

Personnel management is one of the most important functions in any company and in South Africa, one of the most neglected. The NPI's personnel division works in close consultation with the NPI's survey teams and productivity units in identifying and solving problems related to personnel management.

Personnel studies have been carried out in the sawmilling, furniture, textile and metals and engineering industries. During the year, the personnel management division developed a performance appraisal system which was successfully applied to NPI personnel. With further development this system could be used by other organisations and will readily be made available to interested bodies.

4.7. Productivity studies

4.7.1. General

During the year under review formal surveys were completed in the furniture and sawmilling industries. The industries cooperated fully. A general report was published for each industry, while an individual confidential report was given to each firm studied during the surveys showing its specific productivity levels. Recommendations were made on how productivity could be improved. As already indicated the NPI hopes to establish productivity units for the furniture and sawmilling industries.

4.7.2 Building industry

The problem of measuring productivity applies particularly in the building industry. By using Integrated Business Control (see 4.1) it was possible to measure the productivity of brickwork, shuttering and steel fixing. Studies designed to measure the productivity of other building activities are progressing. The IBC technique was successfully applied in two large building and construction companies. In one company it was shown that the productivity of shuttering could be almost doubled and result in a possible saving of more than R1 million per year.

4.7.3. Clerical and administrative productivity

It is equally difficult to measure the productivity of clerical and administrative workers, and to control their productivity. The NPI has looked at this problem and, in cooperation with a large insurance company, has developed standard times for certain critical clerical activities. Clerks can use these standard times to determine their own productivity.

A big advantage of this system is that with a bare minimum of supervision from industrial engineers and Organisation and Methods (O & M) specialists (who are highly trained and scarce) a high level of accuracy in productivity measurement can be achieved and maintained. There have been several successful applications of the system and the NPI hopes that this system will contribute substantially towards improving clerical productivity in South Africa.

4.8. Productivity Units

4.8.1 Clothing Industry

The Clothing Industry Productivity Association (CLIPA) was established in 1974. Since then 30–35 per cent of the employees in the clothing industry have become involved in productivity improvement programs. During the year inter-firm comparison studies were conducted among shirt and trouser manufacturers and advice given to member companies on specific productivity problems. CLIPA's work procedures have proved highly successful and have made a meaningful contribution to productivity improvement in the clothing industry.

4.8.2 Canning Industry

On January 15, 1977 the Canning Industry Productivity Unit (CIPU) was formed. During the first three months after its inception member companies were visited and their productivity levels measured. Recommendations drawn up as a result of inter-firm comparisons on labour productivity have already contributed to productivity improvement in some factories. A complete work program has been drawn up for the coming year and firms are cooperating enthusiastically

4.8.3 Textile Industry

The Textile Productivity Unit (TIPU) was formed on 1 July, 1976. Support from the industry was initially slow and so far only five factories have become members. It is already clear that a considerable contribution can be made towards raising productivity by giving more attention to marketing.

4.9. Industry related divisional activities

4.9.1. Metals and engineering industry division

This division gained ground after problems mainly attributable to limited initial interest by the industry. The division is working methodically through the metals and engineering

industry offering its services. Many companies have made use of the service and the division is making a meaningful contribution to productivity improvement in the industry.

It is necessary to broaden the scope of the service offered to this branch of industry, e.g. by introducing Low Cost Automation (LCA). This is offered by the NPI in conjunction with the Council for Scientific and Industrial Research (CSIR) and includes the availability of an LCA mobile laboratory which offers practical assistance with the implementation of low cost automation on factory premises.

4.9.2 Motor repair industry division

All motor repair shops serviced by the NPI have shown good progress in productivity improvement. Work done in cooperation with a motor manufacturer in 12 separate workshops brought about an average productivity increase of more than 85 per cent. The motor repair industry was badly affected by the downturn in the economy and as a result few companies have as yet been able to take advantage of the service offered by the NPI.

There is a need for the motor repair industry division to extend its services considering the total number of service stations in South Africa and their capacity for an all round improvement in productivity.

The NPI has made a meaningful contribution to productivity improvement in the metals and engineering industry





*The Director of the Israel Institute of Productivity (IIP) Mr Israel Meidan visited South Africa
From left to right His Excellency The Ambassador of Israel Mr ID Unna, Mr Israel Meidan, Dr Jan Visser
(Executive Director of the NPI) and the Hon J C Heunis, Minister of Economic Affairs*

5. SERVICE ACTIVITIES

5.1. Public relations

The NPI has made progress in public relations and creating greater awareness of the services it offers to industry. Newsletters on NPI activities were distributed. The news media, including television, gave wide coverage to NPI work. Contact was maintained with complementary organisations and seminars and symposia held.

One of the most important events of the year was the visit of Mr Israel Meidan, Director of the Israel Institute of Productivity (IIP), during August and September, 1976. A series of symposia was held in the six main centres in conjunction with the National Development and Management Foundation (NDMF). These were attended by about 500 delegates (mostly senior management). The visit of Mr Meidan has led to close contact between NPI and IIP, the latter being the largest productivity centre of its kind in the world.

5.2. Administration and finance

On 1 April, 1976 the NPI assumed responsibility for its own administration from the SABS. The change-over worked smoothly and no problems were encountered.

The State continues to subsidise the NPI substantially. From the financial statements it will be seen that the NPI generated 13 per cent of its income from services rendered. When CLIPA (an independent company) is taken into account this rises to 19 per cent. The PAC has decided that the private sector should become more involved in the financing of the NPI, and this is being investigated further.

The statements for the 1976/7 financial year are attached.

6. ACKNOWLEDGEMENTS

The Chairman and Executive Director would like to thank the following individuals and bodies:

- The members of the Productivity Advisory Council, and in particular the members of the Board of Directors, for their unselfish and enthusiastic support.
- The State, for moral and financial support, without which the NPI would not be viable.
- The staff of the NPI who have worked with dedication and enthusiasm towards the ideal of improved productivity in South Africa.

MANUFACTURING SECTOR TRENDS

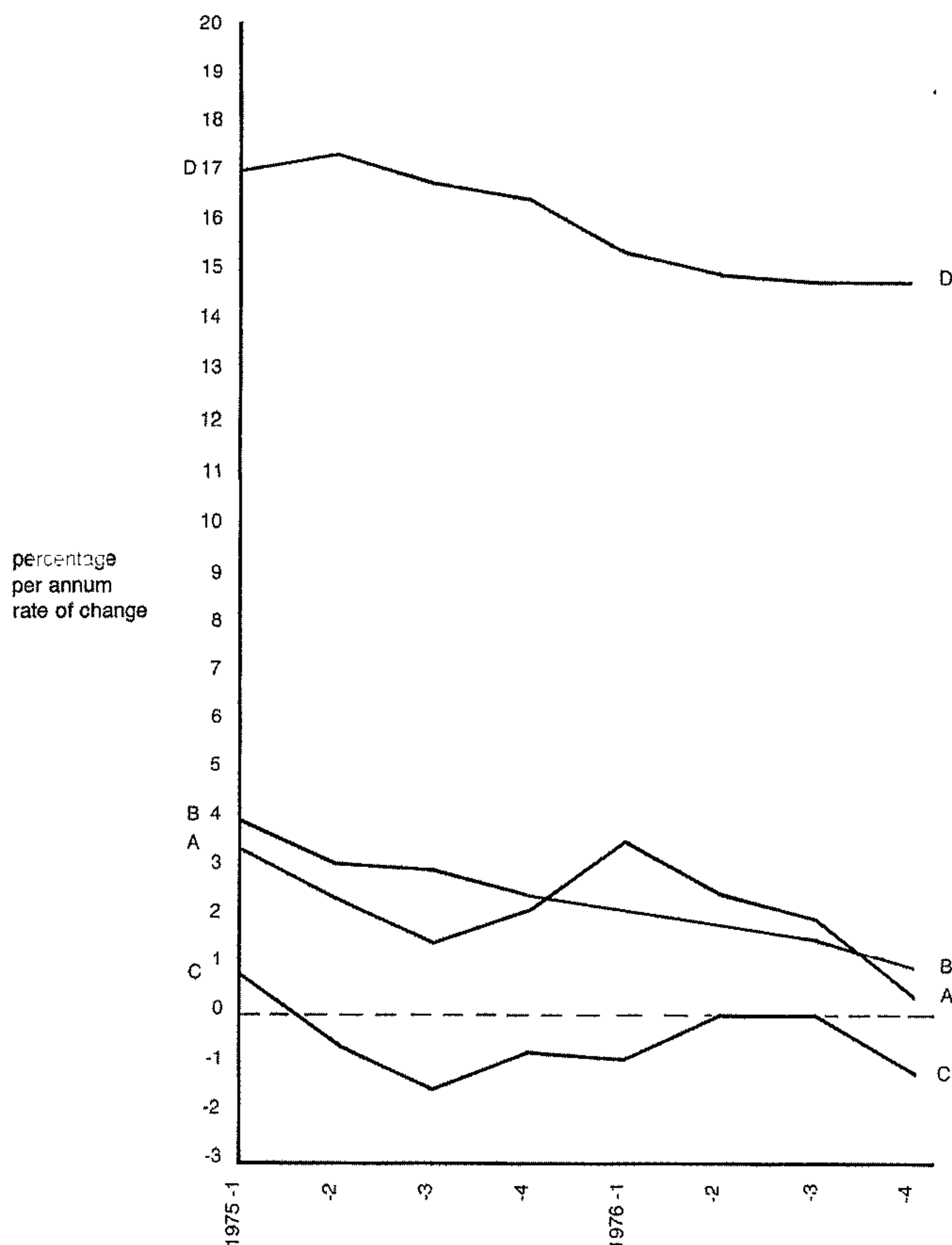
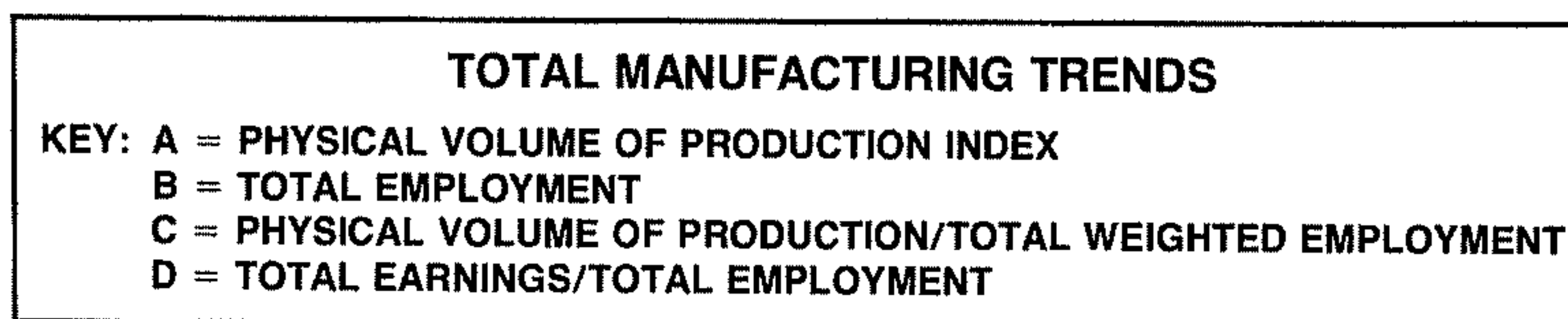


FIGURE 1

It is important for the NPI constantly to review national productivity tendencies. For various reasons, it is not possible to calculate total productivity indices in the short term. The following graphs show series relating to physical volume of production and labour. Figures 1 and 2 show the annual rate of change, by quarter, for the manufacturing sector in 1975 and 1976.

In Figure 1 the rate of change in physical volume of production (curve A) and employment (curve B) is shown. Both are positive but declining. The earnings per employee (curve D), in comparison with the other two indices, show a very high positive rate of change (between 15 and 17 per cent), while also declining. Labour productivity (curve C) is derived from the quotient of $A - B$ and was negative for most

of the period. In other words, there was a reduction in output per unit of labour input

Figure 2 shows that the per capita earnings gap between Non-Whites and Whites is reducing at a more or less constant rate of approximately five per cent per year (curve F). This could be one of the reasons why the ratio of Non-White/White employment has declined since the third quarter in 1975, to the extent that the labour force in the manufacturing sector has become relatively more White intensive (curve E)

It is also shown in Figure 2 that the rate of growth in earnings per employee was originally recovered from the consumer when the increase in output prices (curve G) increased more rapidly than labour costs per unit of output (curve H)

During the last three quarters of 1976 the increase in output prices was in fact lower than the increase in labour costs per unit of output – thus there was an under recovery of the increase in labour cost per unit of output which was absorbed by the producer

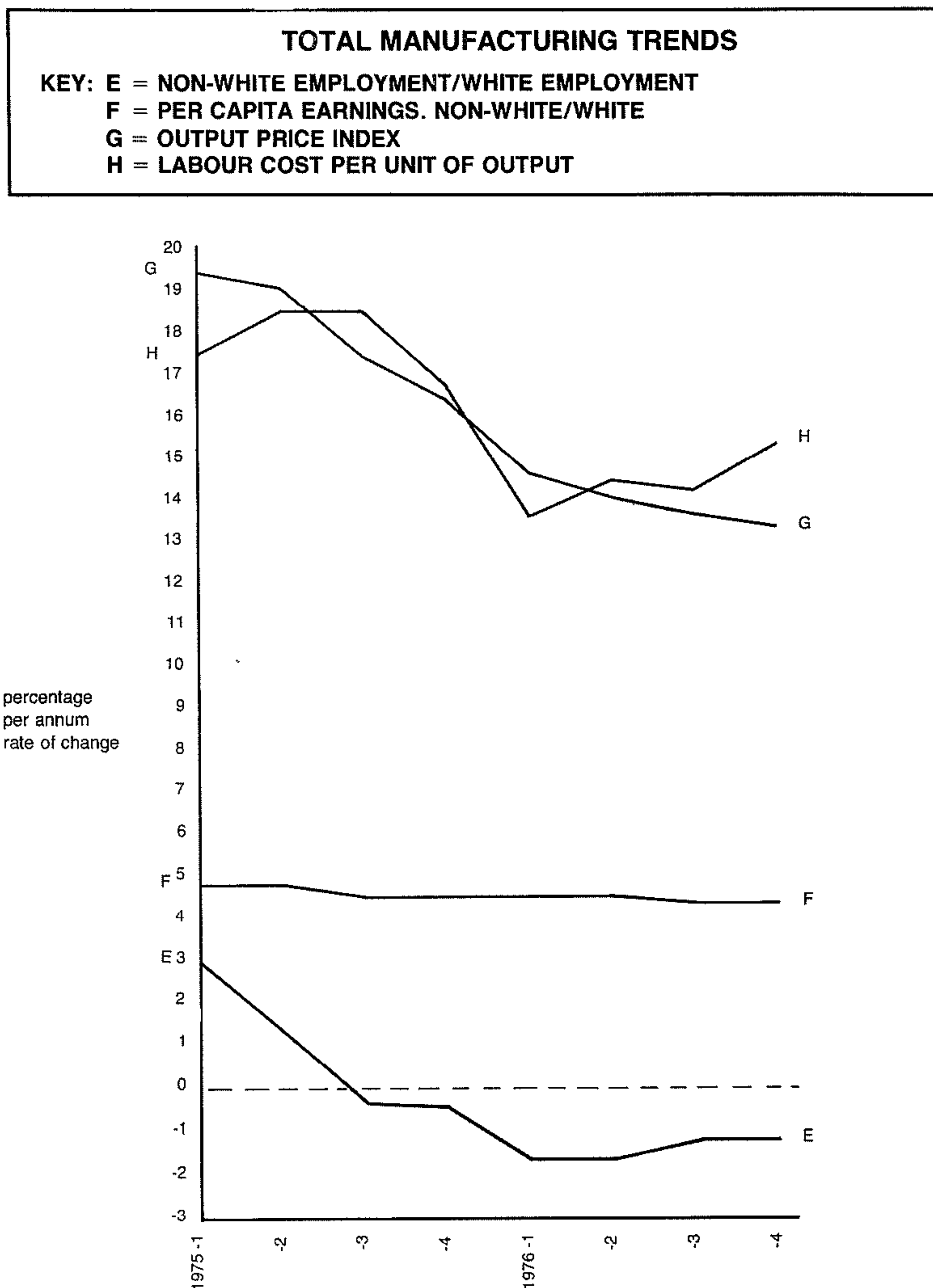


FIGURE 2

INCOME STATEMENT FOR THE YEAR ENDING 31 MARCH 1977

INCOME	
Parliamentary grant	556 000
Publications sold	1 292
Services rendered	66 793
Interest received	8 495
Levy received	<u>92</u>
	<u>R632 672</u>
 SURPLUS INCOME OVER EXPENDITURE	 79 083
Less fixed assets bought	35 566
Library	1 323
Office machinery/equipment	3 897
Office furniture	4 326
Motor vehicles	<u>26 020</u>
	43 517
Less: Surplus income payable to the Department of Industries	<u>1 604</u>
ACCUMULATED FUNDS 31 MARCH 1977	<u>R 41 913</u>

SURPLUS INCOME OVER EXPENDITURE

In the calculation of surplus income over expenditure the following items, which must be shown separately, were taken into consideration

RENTAL OF EQUIPMENT

347

AUDITORS FEES

1 075

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDING 31 MARCH 1977

SOURCE OF FUNDS

Surplus income over expenditure	<u>R 79 083</u>
---------------------------------	------------------------

APPLICATION OF FUNDS

Purchase of fixed assets	35 570
Amount repaid to Department of Industries	1 604
Increase in net fixed assets	<u>41 909</u>
	<u>R 79 083</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 1977

1. ACCOUNTING POLICIES

The main accounting policies adopted by the company are as follows

FIXED ASSETS

No depreciation is written off on the fixed assets as all purchases of fixed assets are written off against income

TURNOVER

The turnover of the company consists of professional services rendered, publications sold, interest received and commission received. The company also receives a parliamentary subsidy which is the main source of income

2. FIXED ASSETS

At cost

Less Amounts written off

	4
	35 569
	35 565

3. COMPARATIVE FIGURES

No comparative figures are given as these are the company's first financial statements

4. INCOME TAX

No provision was made for tax as the company is exempt from paying tax

Reports published by the NPI

	PRICE
1970 Productivity of the Men's and Boys' Clothing Industry	R 3,00
1971 Productivity of the Women's and Girls' Clothing Industry	R 2,50
1972 Profitability cost performance and sewing room productivity of Men's wear Manufacturers	R 3,00
1972 Productivity of the Knitting Industry	R 3,00
1973 Productivity of the Spinning and Weaving Industry	R 3,00
1973 Productivity of the Iron Foundry Industry	R 5,00
1975 Productivity of the Motor Repair Industry in South Africa	R 5,00
1975 Produktiwiteit van die Motorherstelbedryf in Suid-Afrika	R 5,00
1975 Productivity of the Footwear Industry in South Africa	R10,00
1975 Activity Sampling for Industrialists/Aktiwiteitsmonsterneming vir Nyweraars	R 1,50
1976 Productivity of the Peach Canning Industry in South Africa	R20,00
1976 Productivity of the Furniture Industry in South Africa	R10,00
1977 Directory of Training Courses	R 4,00
1977 Productivity of the Sawmilling Industry in South Africa	R20,00

NASIONALE PRODUKTIWITEITSINSTITUUT EERSTE JAARVERSLAG

1 APRIL 1976 – 31 MAART 1977

Inhoud

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NASIONALE PRODUKTIWITEITSINSTITUUT
Posbus 3971 Pretoria 0001
Tel: 32306

(b) DIE MYNBEDRYF

Suid-Afrikaanse Kamer van Mynwese

P A von Wielligh
W S Rapson (Plaasvervanger)

(c) GEORGANISEERDE LANDBOU

Suid-Afrikaanse Landbou-unie (SALU)

A J Basson
C J P Cilliers (Plaasvervanger)

(d) GEORGANISEERDE ARBEID

Suid-Afrikaanse Konfederasie van Arbeid

Vakbondraad van Suid-Afrika (VAKSA)

Federasie van Gesalarieerde Personeelverenigings van Suid-Afrika

W Bornman
S C Botha (Plaasvervanger)
L C M Scheepers
J A Grobbelaar (Plaasvervanger)
W J Marais
C J Pretorius (Plaasvervanger)

(e) DIE BOUBEDRYF

Federasie van bounywerhede

A Combrink
U Bezuidenhout (Plaasvervanger)

(f) STAATSDEPARTEMENTE

Departement van Nywerheidswese
Departement van Arbeid
Ekonomiese Raadgewer van die Eerste Minister

Departement van Statistiek

Die Sekretaris
M van Noordwyk
J P Dreyer
P J D du Toit (Plaasvervanger)
T A du Plessis
S de K Venter (Plaasvervanger)

(g) STATUTÊRE LIGGAME

Suid-Afrikaanse Wetenskaplike en Nywerheidsnavorsingsraad (WNNR)
Suid-Afrikaanse Buro vir Standaarde (SABS)

P J Rigden
R F J Teichman

(h) ANDER LIGGAME

Nasionale Ontwikkelings- en Bestuurstigting van Suid-Afrika (NOBS)

S Press

(i) INDIVIDUE

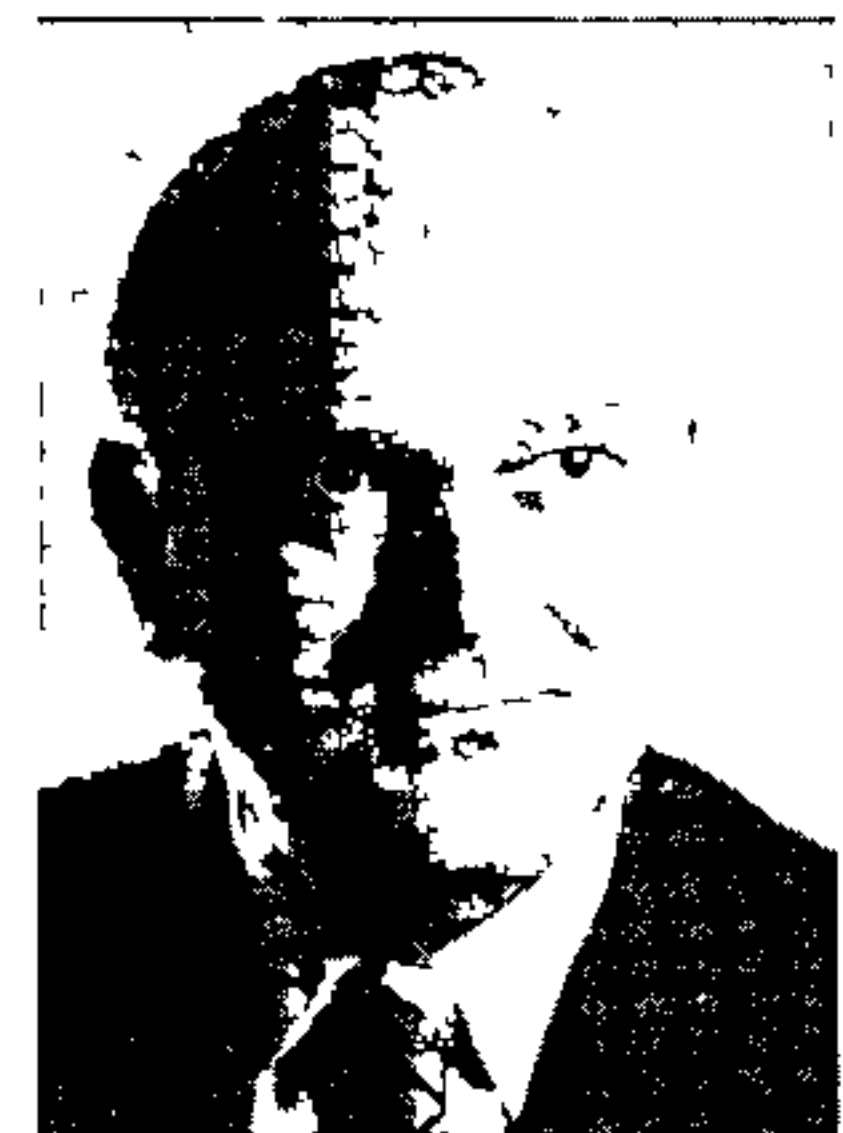
H J J Reynders – Uitvoerende Direkteur van Gefedereerde Kamer van Nywerhede
M van den Berg – Besturende Direkteur van Interbank Diskontohuis Bpk
L A Beard – Besturende Direkteur van Protea Holdings Bpk

(j) VOORSITTER

S J Kleu – Voorsitter, Raad van Handel en Nywerheid

Die Nasionale Produktiwiteitsinstituut (NPI), wat as werkeenhed van die PAR ingestel is, het onder die vleuels van 'n bestaande statutêre liggaam, die Suid-Afrikaanse Buro vir Standaarde (SABS), gefungeer omdat die PAR nie 'n statutêre liggaam was nie en gevolglik nie die bevoegdheid gehad het om fondse te beheer of personeel aan te stel nie. Die NPI was ten volle aan die PAR verantwoordelik, maar was vir die doel van administratiewe dienste en regsidentiteit aan die SABS gekoppel. Die NPI is ten volle uit staatsfondse gefinansier en het aan die Parlement, as finale beheerliggaam, verslag gedoen.

Dr S J Kleu
(Voorsitter)



2.1 Hersamestelling

Op 1 April 1976 het die NPI 'n privaatmaatskappy sonder winsoogmerk geword, met sy eie direksie wat uit die lede van die PAR gekies is. Die raadslede is:

Dr S J Kleu	(Voorsitter)
Mnr H C Morcombe	(Plaasvervanger – H Goldberg)
Mnr L C M Scheepers	(Plaasvervanger – W Bormann)
Dr M van den Berg	(Plaasvervanger – G J Hupkes)
Mnr S Press	(Plaasvervanger – W F Spence)



Mnr S Press

Mnr H C Morcombe



Mnr L C M Scheepers



Dr M van den Berg



Die NPI word nog deur die staat gesubsideer en doen aan die Produktiwiteitsadviesraad en die Minister van Ekonomiese Sake verslag.

3. ALGEMENE OORSIG

Hierdie jaarverslag is die eerste wat die NPI publiseer sedert dit op 1 April 1976 as 'n privaatmaatskappy sonder winsoogmerk tot stand gekom het. In vorige jare is daar by wyse van 'n samevatting in die jaarverslag van die Suid-Afrikaanse Buro vir Standaarde oor die werksaamhede van die NPI verslag gedoen.

3.1. Produktiwiteit en ekonomiese groei

Dit is en bly moeilik om die juiste betekenis van die begrip produktiwiteit by die nywerheid en ander organisasies in die ekonomie tuis te bring. Daar heers nog steeds misverstand. Baie verkeer byvoorbeeld onder die indruk dat produktiwiteit net deur harder werk verhoog kan word, dat verhoogde produktiwiteit in die huidige ekonomiese klimaat werkloosheid in die hand sal werk, dat produktiwiteitsverhoging langer werkure beteken, ensovoorts. Hierdie veronderstellings is almal foutief en dit is gebiedend noodsaaklik dat diegene wat met verantwoordelikheid bekleed is, moet beseft dat hoer produktiwiteit 'n integrerende deel van bestuur uitmaak en 'n voorvereiste vir ekonomiese groei is. Eers wanneer dit ten volle begryp word, kan produktiwiteit meehelp om teenswoordige ekonomiese probleme te bowe te kom en die lewenstandaard van die hele bevolking te verhoog.

Produktiwiteit word omskryf as die kwosient van uitset en inset, d.w.s. uitset verdeel deur inset. Uitset het betrekking op produkte (d.w.s. goedere en/of dienste) wat deur die produksieproses geskep word. Inset omvat die produksiefaktore (d.w.s. arbeid, kapitaal, grondstowwe, tegnologie) wat deur die produksieproses gekombineer word om die uitset voort te bring.

Produktiwiteitsgroei vind plaas as die uitset in verhouding tot die inset toeneem. Dit kan gebeur op enige plek binne 'n spektrum wat begrens word deur:

- verhoogde uitset wat in *groter* mate toegeneem het as die gepaardgaande verhoogde inset
- verlaagde uitset wat in *kleiner* mate afgeneem het as die gepaardgaande verlaagde inset

Die eerste geval is dié wat wenslik is vir die Suid-Afrikaanse situasie, waar produktiwiteitsgroei noodsaaklik is om die eis van meer werkgeleenthede vir 'n toenemende bevolking te kan versoen met die noodigheid om aan die verwagtings vir 'n hoer lewenstandaard te voldoen.

Opnames deur die NPI het aangetoon dat die gemiddelde produktiwiteitspeil in Suid-Afrika kwalik 50 persent is van die bereikbare peil van 100 persent, hoewel enkele firmas wel aangetref is wat reeds 'n peil van byna 100 persent bereik het. Dat dit nodig is om die produktiwiteit van die land as geheel te verbeter, is baie duidelik. Pogings om dit te bewerkstellig, moet op alle vlakke van 'n organisasie toegespits word, maar veral op die bestuur wat in laaste instansie vir die welslae van 'n produktiwiteitsprogram verantwoordelik is.



Produksiebeplanning en -beheer is 'n integrale deel van produktiviteitsverbetering

3.2. Produktiviteitsadviesdiens

Studies in verskeie bedryfstakke het die NPI tot die besef laat kom dat daar by individuele firmas 'n behoefte aan spesifieke bystand bestaan. So byvoorbeeld het die wetslae behaal deur 'n produktiviteitseenheid wat gestig is om die klerebedryf tot hulp te wees, gelei tot die stigting van soortgelyke eenhede in ander bedryfstakke wat by die opnames betrek was. Dienste is verskaf aan die motorherstel-, tekstiel-, inmaak-, en metaal- en ingenieursnywerheid. Daar word tans gewerk aan die stigting van produktiviteitseenhede vir die gieterij-, meubel- en skoelbedryf. In 'n aantal gevalle het skouspelagtige verbeterings reeds ingetree.

3.3. Opnames van produktiviteitsprobleemgebiede

Benewens die stigting van produktiviteitseenhede, word landswye opnames op 'n deurlopende basis deur die NPI gedoen om produktiviteitsprobleme in spesifieke ekonomiese sektore en vertakkinge van die nywerheid aan die lig te bring. In 1976/7 is 'n verslag oor produktiviteit in die meubelbedryf gepubliseer en is 'n opname van die saagmeubelbedryf gedoen.

Op versoek van die Posmeester-generaal is voorbereidings getref vir 'n produktiviteitsopname in die telekommunikasie-afdeling van die Poskantoor. Studies in die kleinhandel en in die suikermeubelbedryf word beplan.

3.4. Potensiaal en stukrag van die NPI

Die NPI het 'n vakkundige personeel van nagenoeg 30 persone en 'n administratiewe personeel van vyf. 'n Struktuurdiagram van die organisasie verskyn op binne voorblad.

Die NPI word in toenemende mate deur nywerheids-, navorsings- en professionele liggame erken as 'n verantwoordelike, professionele en wetenskaplike instituut wat met

toewyding diens aan die nywerheid, die ekonomie en Suid-Afrika as geheel lewer.

4. HOOFTREKKE VAN SPESIFIEKE AKTIWITEITE

4.1. Ad hoc-meting van produktiviteit

Om uitvoering te gee aan die Manifest teen Inflasie, het die NPI aangebied om firmas te help om hul produktiviteit te meet ten einde verbeteringsprogramme in te stel. Hierdie diens het baie byval gevind en ongeveer 130 ondernemings het daarvan gebruik gemaak. 'n Opvolgondersoek by 'n steekproef van 30 deelnemende firmas het getoon dat die diens hulle aansienlik gebaat het.

Een van die grootste vraagstukke wat produktiviteitsverhoging oplewer, is die vermoë om dit te kan meet. Die NPI het bevind dat dit onmoontlik is om standarde te stel, en net so onmoontlik is om beheer uit te oefen, as produktiviteit nie gekwantifiseer kan word nie. Na deeglike navorsing het die NPI 'n vinnige en noukeurige stelsel vir produktiviteitsmeting ontwikkel wat hoogs gekwalifiseerde mannekrag in die bedryfsingenieurswese bespaar deurdat dit met geringe opleiding toegepas kan word en slegs 'n paar persone daarvoor nodig is.

Die stelsel, bekend as Geïntegreerde Ondernemingsbeheer (IBC), is reeds met wetslae toegepas by die meet van klerklike werk, asook in die boubedryf. Die NPI het 'n ooreenkoms met die Israelse Produktiviteitsinstituut (IIP) aangegaan om IBC wêreldwyd te bemark. Die IIP is een van die grootste produktiviteitsentrums in die wêreld en het oor die afgelope 20 jaar reeds in talle nywerhede "tradisionele" tydstandaarde vasgestel. Die omskakeling van hierdie standarde na IBC behoort dit moontlik te maak om die toeganklikheid daarvan vir firmas te verhoog. Hierdie ooreenkoms hou groot potensiele voordele vir Suid-Afrika in.

4.2. Bemarking

Gelet op die belangrike rol wat doeltreffende bemarking in produktiwiteitsverhoging speel, is 'n Bemarkingsafdeling in Oktober 1976 tot stand gebring en is ondersoeke in verskeie organisasies uitgevoer. Die aanduiding is dat verbeterde bemarking 'n faktor is wat hom terdee in die verhoging van produktiwiteit laat geld en dat dit gebrekkige bemarkingsbeleid en -prosedure is, en nie so seer swak produksie nie, wat in baie firmas vir onbevredigende produktiwiteit verantwoordelik is.

4.3. Opleiding

Die Nasionale Klerefederasie het die NPI gedurende die verslagjaar versoek om 'n opname van opleidingsbehoefes in die klerebedryf te doen. 'n Omvattende verslag is aan die Federasie voorgelê en het gunstige kommentaar van hulle uitgelok. Voortvloeiend uit hierdie studie word die stigting van 'n opleidingsfonds vir die klerebedryf in die vooruitsig gestel.

'n Gids of prospektus van alle opleidingskursusse wat vir die nywerheid in Suid-Afrika beskikbaar is, is deur die NPI saamgestel en uitgegee.

4.4. Rekenwetenskappe

Die NPI het 'n model, bekend as Dinamiese Winsanalise (DWA), ontwikkel wat veranderinge in winsgewendheid aan produktiwiteitsveranderinge, prysverhalingsveranderinge, of albei, toewys. Die model hou groot belofte as 'n bestuursverbeteringsinstrument in en verskeie groot firmas maak reeds daarvan gebruik. Veral by prysbeheerbesluite behoort dit van groot waarde te blyk.

4.5. Makro-ekonomiese produktiwiteits-evaluering

Studies is uitgevoer om die makro-uitwerking van tegnologiese verandering en tariefvoorstelle op produktiwiteit te beoordeel.

Fabriekswesetendense verskyn in Byvoegsel 1 op bladsy 9.

4.6. Personeelbestuur

Personeelbestuur is een van die belangrikste funksies in 'n onderneming, in Suid-Afrika is dit helaas een van die wat die meeste afgeskeep word. Die NPI se Personeelafdeling werk ten nouste met opnamespanne en produktiwiteitseenhede van die NPI saam in 'n poging om probleme wat met personeelbestuur in verband staan, op te spoor en op te los.

Personeelstudies is in die saagmeul-, meubel-, tekstiel-, en metaal- en ingenieursbedryf onderneem. Die Personeelbestuursafdeling het tydens die jaar 'n prestasie-aanslagstelsel ontwikkel en die is met welslae op die NPI se personeel toegepas. In 'n verder ontwikkelde vorm kan die stelsel ook deur ander organisasies gebruik word en sal dit geredelik aan belanghebbendes beskikbaar gestel word.

4.7. Produktiwiteitstudies

4.7.1. Algemeen

Formele studies is gedurende die verslagjaar in die meubel- en saagmeulbedryf afgehandel. Volle samewerking is van die kant van die ondernemings ontvang. Vir elke nywerheid is 'n algemene verslag gepubliseer, terwyl elke firma wat tydens die opnames bestudeer is 'n afsonderlike vertroulike verslag ontvang het waarin sy spesifieke produktiwiteitspeil aangetoon is. Aanbevelings is gedoen oor hoe die produktiwiteit verbeter kan word. Soos reeds genoem, stel die NPI dit in die vooruitsig om produktiwiteitseenhede vir die meubel- en saagmeulbedryf tot stand te bring.

4.7.2. Boubedryf

Die vraagstuk van produktiwiteitsmeting geld veral in die boubedryf. Deur van Geïntegreerde Ondernemingsbeheer (kyk 4.1) gebruik te maak, was dit moontlik om produktiwiteit by messelwerk, bekisting en staalvlegwerk te meet. Studies wat daarop gemik is om produktiwiteit by ander soorte bouwerk te meet, is aan die gang. Twee groot bou- en konstruksie maatskappye het die IBC-tegniek met welslae toegepas. By die een is bekistingsproduktiwiteit byna verdubbel en kon 'n besparing van meer as 'n miljoen per jaar bewerkstellig word.

4.7.3. Klerklike en administratiewe produktiwiteit

Dit is 'n ewe gedugte taak om produktiwiteit by klerklike en administratiewe personeel te meet en te beheer. Die NPI het hierdie probleem aangepak en, met die medewerking van 'n groot versekeringsmaatskappy, daarin geslaag om standaardtye vir sekere klerklike werksaamhede vas te stel. Klerke kan hierdie standaardtye gebruik om hul eie produktiwiteit te meet.

Hierdie stelsel hou die groot voordeel in dat daar met baie min toesig deur bedryfsingenieurs en Organisasie-en-Metode (O & M)-deskundiges (wat hoogs opgelei en skaars is) 'n hoe noukeurigheid speil in produktiwiteitsmeting bereik en gehandhaaf kan word. Die stelsel is reeds in etlike gevalle met sukses toegepas en die NPI wil vertrou dat dit in aanmerkbare mate tot die verhoging van klerklike produktiwiteit in Suid-Afrika sal bydra.

4.8. Produktiwiteitseenhede

4.8.1. Klerebedryf

Die Klereindustrie Produktiwiteitsassosiasie (KLIPA) is in 1974 gestig. Sedertdien is 30 tot 35 persent van die werknemers in die klerebedryf by produktiwiteitsverbeteringsprogramme betrek. Studies waarin hemp- en broekvervaardigers onderling met mekaar vergelyk is, is gedurende die jaar gedoen en advies oor spesifieke produktiwiteitsprobleme is aan lidmaatskappye gegee. KLIPA se werkwyses is met 'n hoe mate van sukses bekroon en het 'n betekenisvolle bydrae tot die verhoging van produktiwiteit in die klerebedryf gelewer.

4 8.2 Inmaakbedryf

Die Produktiwiteitsseenheid vir die Inmaakbedryf (CIPU) het op 15 Januarie 1977 tot stand gekom. Gedurende die eerste drie maande na die stigting is besoeke aan lidmaatskappe gebring en is metings van hul produktiwiteitspeile gedoen. Aanbevelings wat gedoen is op grond van arbeidsproduktiwiteitsvergelykings tussen die maatskappe het by sommige fabriek tot 'n verhoging in produktiwiteit bygedra. 'n Volledige werkprogram is vir die komende jaar opgestel en firmas werk geesdriftig saam.

4 8.3 Tekstielbedryf

Die Produktiwiteitsseenheid vir die Tekstielbedryf (TIPU) is op 1 Julie 1976 gestig. Die nywerheid was aanvanklik traag om sy steun te gee en tot dusver het net vyf fabriek lede geword. Dit het reeds duidelik geblyk dat meer aandag aan bemerking aansienlik tot verhoogde produktiwiteit kan bydra.

4.9. Aktiwiteite van nywerheidsverbonde afdelings

4.9.1. Afdeling vir die metaal- en ingenieursnywerhede

Hierdie afdeling het 'n deurbraak gemaak nadat dit aanvanklik met die probleem van geringe belangstelling aan die kant van die nywerheid te kampe gehad het. Daar word doelgerig

gewerk en die afdeling se dienste word aan die nywerheid gebied. Etlike maatskappe het reeds daarvan gebruik gemaak en danksy die afdeling se werk het die produktiwiteit in die nywerheid 'n beduidende verbetering getoon.

Dit blyk nodig te wees dat die omvang van die diens wat aan hierdie bedryfstak gebied word, uitgebrei word, byvoorbeeld deur die invoering van Laekosteoutomatisasie (LKO). Dit word deur die NPI in samewerking met die Wetenskaplike en Nywerheidsnavorsingsraad (WNNR) aangebied en behels die beskikbaarheid van 'n mobiele LKO-laboratorium wat praktiese hulp met die toepassing van Laekosteoutomatisasie op fabriekspersoneel aanbied.

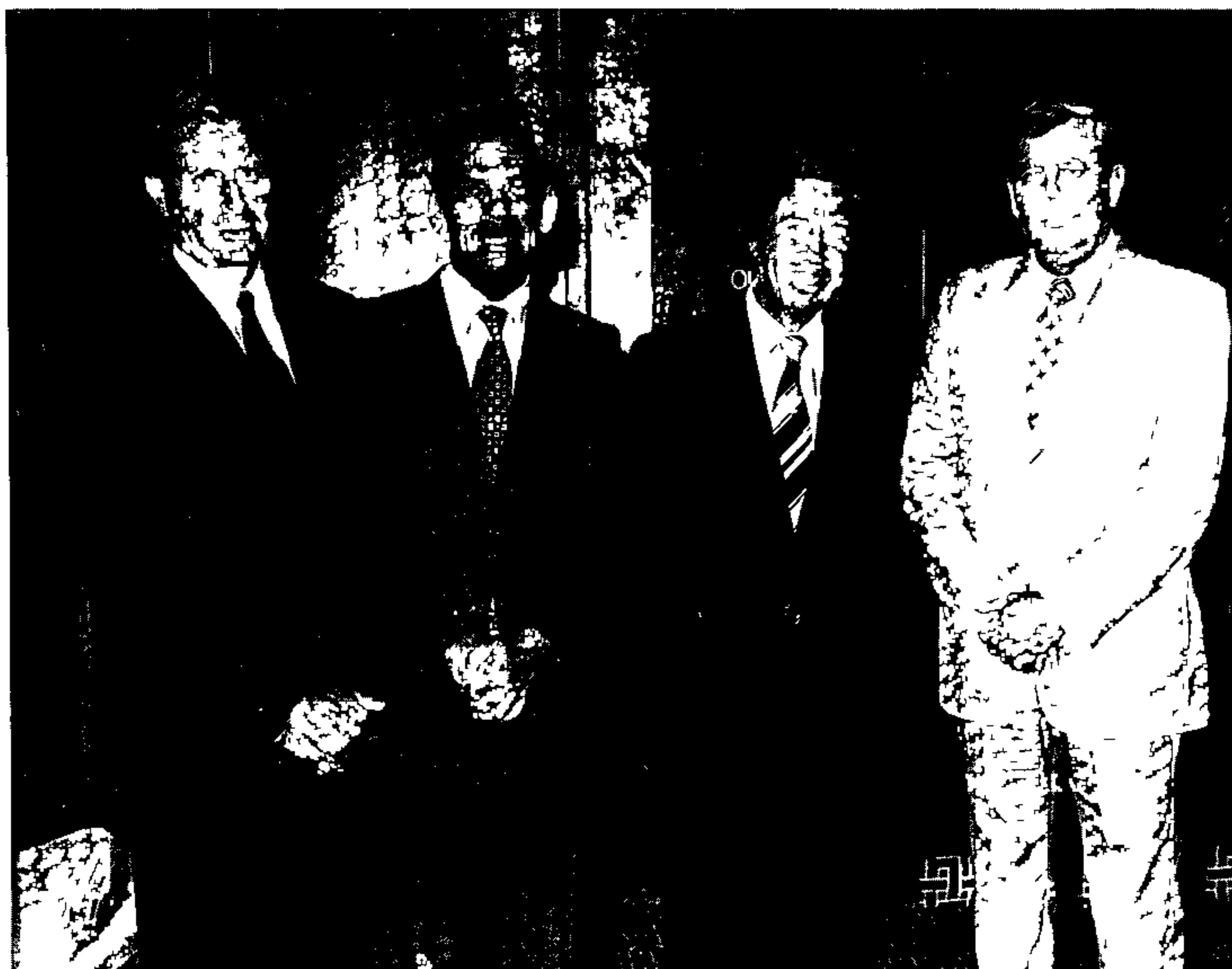
4 9.2 Afdeling vir die motorherstelbedryf

Alle motorherstellers vir wie die NPI tot diens was, het goeie vordering met produktiwiteitsverhoging getoon. Werk wat saam met 'n motorvervaardiger in 12 verskillende werksinkels gedoen is, het 'n gemiddelde produktiwiteitstoename van meer as 85 persent tot gevolg gehad. Die insakking in die ekonomie het 'n baie nadelige uitwerking op die motorherstelbedryf gehad en net 'n paar ondernemings was gevolglik tot dusver in staat om van die diens wat die NPI aanbied, gebruik te maak.

Die ruimte wat daar bestaan vir 'n algemene produktiwiteitsverbetering by die groot aantal diensstasies in Suid-Afrika wys op die noodsaaklikheid dat die dienste van die afdeling vir die motorherstelbedryf uitgebrei word.

Heelwat werk word deur die Nasionale Produktiwiteitsinstituut in die metaal- en ingenieursbedryf gedoen.





Direkteur van die Israelse Instituut vir Produktiwiteit, mnr Israel Meidan het verlede jaar die Nasionale Produktiwiteitsinstituut besoek
Van links na regs: Sy Edele Die Israelse Ambassadeur, mnr I D Unna, mnr Israel Meidan, dr J H Visser (Uitvoerende Direkteur van die Nasionale Produktiwiteitsinstituut) en Sy Edele J C Heunis, Minister van Ekonomiese Sake

5. DIENSAKTIWITEITE

5.1. Skakelwerk

Die NPI het goeie skakeling gehandhaaf en het 'n steeds groter bewustheid van die dienste wat dit aanbied, by die nywerheid laat posvat. Nuusbriewe oor die werksaamhede van die NPI is versprei en wye dekking deur die nuusmedia, waaronder televisie, is verkry. Daar is in noue voeling gebly met organisasies wat aanvullende dienste lewer en seminare en simposiums is aangebied.

Die besoek van die Direkteur van die Israelse Produktiwiteitsinstituut (IIP), mnr Israel Meidan, gedurende Augustus en September 1976 was een van die belangrikste gebeurtenisse van die jaar. 'n Reeks simposiums is in samewerking met die Nasionale Ontwikkelings- en Bestuurstigting (NOBS) in die ses vernaamste sentrums gehou. Sowat 500 afgevaardigdes (die meeste afkomstig uit die gelede van topbestuur) het die simposiums bygewoon. Mnr Meidan se besoek het gelei tot hegte bande tussen die NPI en die IIP – laasgenoemde die grootste produktiwiteitsentrum in sy soort ter wêreld.

5.2. Administrasie en finansies

Op 1 April 1976 het die NPI die verantwoordelikheid vir sy eie administrasie by die SABS oorgeneem. Die oorskakeling het

glad verloop en geen probleme is ondervind nie. Die NPI ontvang nog 'n groot subsidie van die staat. Die finansiële state toon aan dat die NPI self 13 persent van sy inkomste verdien het uit die dienste wat gelewer is. Met KLIPA ('n onafhanklike maatskappy) bygereken, styg hierdie persentasie tot 19. Die PAR het besluit dat die privaatsektor nouer by die finansiering van die NPI betrek moet word en aandag word nou hieraan gegee.

Die finansiële state vir die boekjaar 1976/7 gaan hier by

6. DANKBETUIGING

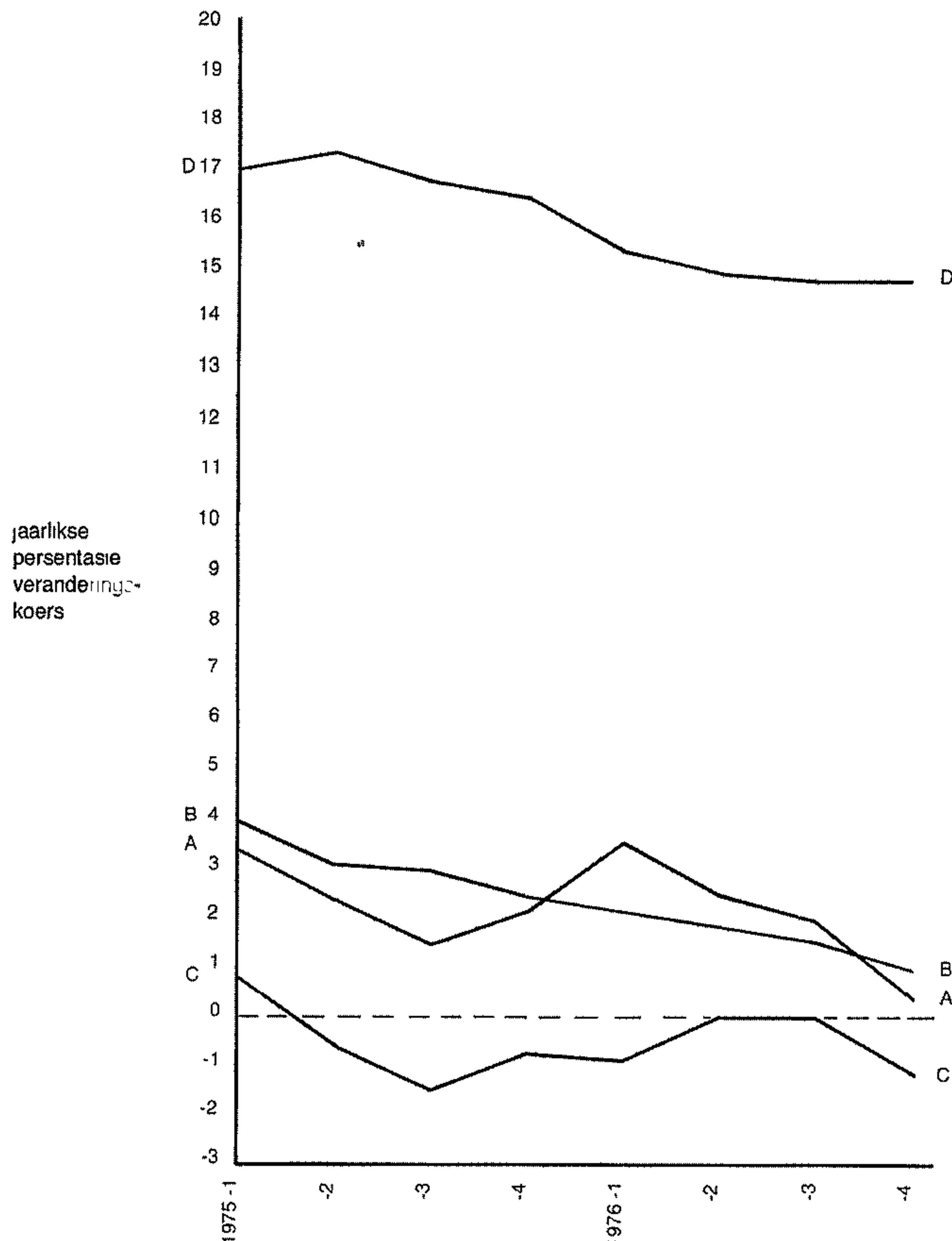
Die Voorsitter en Uitvoerende Direkteur wil graag die volgende persone en liggeme bedank:

- Die lede van die Produktiwiteitsadviesraad, en veral die Direksielede, vir hulle onbaatsugtige en geesdriftige steun.
- Die staat, vir morele en geldelike steun, waarsonder die NPI tot weinig in staat sou wees.
- Die personeel van die NPI, wat hulle met geesdrif toegewy het aan hul roepingsideaal om produktiwiteit in Suid-Afrika te verhoog.

FABRIEKSWESE TENDENSE

TOTALE FABRIEKSWESETENDENSE

SLEUTEL: A = FISIESE VOLUME VAN PRODUKSIE INDEKS
 B = TOTALE INDIENSNEMING
 C = FISIESE VOLUME VAN PRODUKSIE/TOTALE BESWAARDE WERKSGELEENTHEID
 D = TOTALE VERDIENSTE/TOTALE WERKSGELEENTHEID



GRAFIEK 1

Dit is belangrik vir die NPI om 'n oorsig te hê van nasionale produktiwiteitstendense. Om verskeie redes is dit nie moontlik om op 'n korttermynbasis totale produktiwiteitsindekse te bereken nie. Die volgende grafieke toon egter sommige reekse wat betrekking het op fisiese volume van produksie en arbeid. In grafieke 1 en 2 word die jaarlikse koerse van verandering per kwartaal vir die fabriekswese sektor getoon vir 1975 tot 1976.

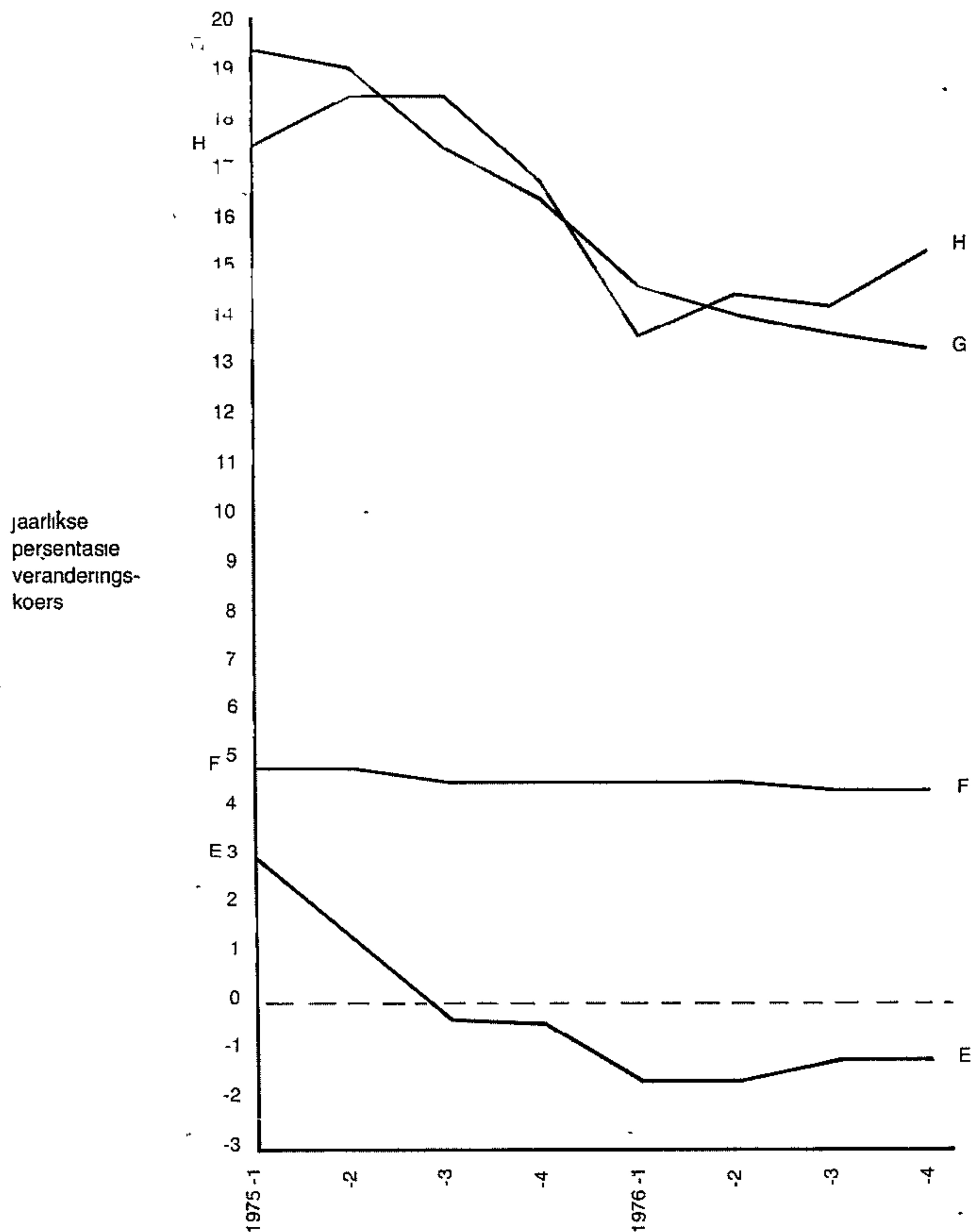
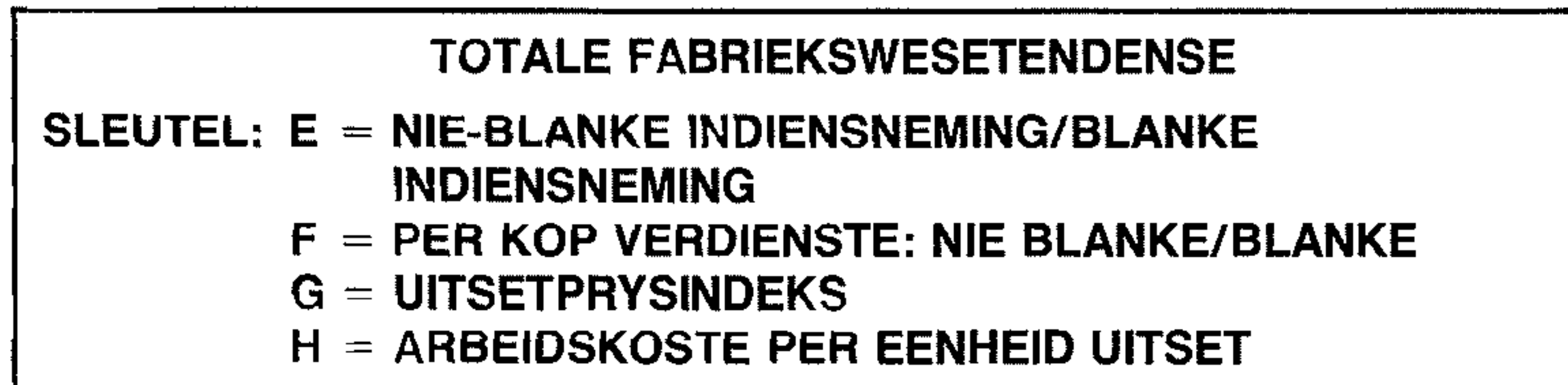
Wat grafiek 1 betref, word die koers van verandering in fisiese volume van produksie (kurwe A) en indiensneming (kurwe B) getoon. Albei is positief maar neem af. Die verdienste per werknemer (kurwe D) toon in vergelyking met bogenoemde twee reekse 'n baie hoe positiewe veranderingskoers (tussen 15 en 17 persent) terwyl dit ook 'n dalende neiging toon. Arbeidsproduktiwiteit (kurwe C) is afgelei van die kwosient van A - B en was feitlik gedurende die hele

periode negatief. Dit kom daarop neer dat die uitset per eenheid arbeidsinset afgeneem het.

Grafiek 2 toon dat die per kop loongaping tussen Nie-Blankes en Blankes teen 'n konstante koers van ongeveer vyf persent per jaar verklein is (kurwe F). Dit mag een van die redes wees waarom die Nie-Blanke/Blanke indiensnemings-verhouding begin afneem het met die gevolg dat die fabriekswese se arbeidsmag sedert die derde kwartaal 1975 relatief meer Blank intensief begin word het (kurwe E).

Grafiek 2 toon ook dat die hoe koers van toename in verdienste per werknemer aanvanklik van die verbruiker verhaal is toe die toename in uitsetpryse (kurwe G) vinniger toegeneem het as die arbeidskoste per eenheid uitset (kurwe H).

Gedurende die laaste drie kwartale van 1976 was die toename in uitsetpryse egter laer as die toename van arbeidskoste per eenheid uitset – daar was dus 'n onderversing van die styging in lone per eenheid uitset wat deur die produsent gedra is.



GRAFIEK 2

INKOMSTESTAAT VIR DIE JAAR GEËINDIG 31 MAART 1977

INKOMSTE

Parlementêre toekenning	556 000
Publikasies verkoop	1 292
Dienste gelewer	66 793
Rente ontvang	8 495
Invorderingsheffing ontvang	92
	<u>R632 672</u>

SURPLUS INKOMSTE OOR UITGAWE

79 083

Min vaste bates aangekoop

35 566

Biblioteek	1 323
Kantoormasjiene	3 897
Kantoormeubels	4 326
Motorvoertuie	26 020

43 517

Min: Surplus inkomste betaalbaar aan Departement van Nywerheidswese

1 604

OPGEHOOPTE FONDSE 31 MAART 1977

R 41 913

SURPLUS INKOMSTE OOR UITGAWES

By die bepaling van die surplus inkomste oor uitgawes is die volgende items, wat afsonderlik getoon moet word, in berekening gebring

HUUR VAN TOERUSTING

347

LOUDITEURSVERGOEDING

1 075

STAAT VAN BRON EN AANWENDING VAN FONDSE VIR DIE JAAR GEËINDIG 31 MAART 1977

BRON VAN FONDSE

Surplus inkomste oor uitgawes

R 79 083

AANWENDING VAN FONDSE

Aankoop van vaste bates
Bedrag terugbetaalbaar aan Departement van Nywerheidswese
Toename in netto bedryfsbates

35 570

1 604

41 909

R 79 083

NOTAS TOT DIE FINANSIËLE STATE SOOS OP 31 MAART 1977

1. REKENKUNDIGE BELEID

Die hoof kenmerke van die rekenkundige beleid van die maatskappy is soos volg

VASTE BATES

Geen waardevermindering word op vaste bates afgeskryf nie, aangesien die bates by aankoop teen inkomste afgeskryf word

OMSET

Die omset van die maatskappy bestaan uit professionele dienste gelewer, publikasies verkoop, rente ontvang en kommissie ontvang. Die maatskappy ontvang ook 'n parlementêre toekenning, welke toekenning die vernaamste bron van inkomste is.

2. VASTE BATES

Teen kosprys

Min. Bedrae afgeskryf

4
35 569
35 565

3. VERGELYKENDE SYFERS

Geen vergelykende syfers word getoon nie aangesien hierdie die eerste finansiële state van die maatskappy is.

4. INKOMSTEBELASTING

Geen voorsiening vir belasting is gemaak nie, aangesien die maatskappy vrygestel is van betaling van belasting.

Verslae deur die NPI gepubliseer

	PRYS
1970 Productivity of the Men's and Boys' Clothing Industry	R 3,00
1971 Productivity of the Women's and Girls' Clothing Industry	R 2,50
1972 Profitability cost performance and sewing room productivity of Men's wear Manufacturers	R 3,00
1972 Productivity of the Knitting Industry	R 3,00
1973 Productivity of the Spinning and Weaving Industry	R 3,00
1973 Productivity of the Iron Foundry Industry	R 5,00
1975 Productivity of the Motor Repair Industry in South Africa	R 5,00
1975 Produktiwiteit van die Motorherstelbedryf in Suid-Afrika	R 5,00
1975 Productivity of the Footwear Industry in South Africa	R10,00
1975 Activity Sampling for Industrialists/Aktiwiteitsmonsterneming vir Nyweraars	R 1,50
1976 Productivity of the Peach Canning Industry in South Africa	R20,00
1976 Productivity of the Furniture Industry in South Africa	R10,00
1977 Directory of Training Courses	R 4,00
1977 Productivity of the Sawmilling Industry in South Africa	R20,00

Productivity STAR 10/18/78 award (247)

Pretoria Bureau

The National Productivity Institute today announced the establishment of an award to boost the ailing productivity.

"We hope that the award will influence people to develop productivity projects," said Dr. Jan Visser of the institute.

It is open to any person, firm or organisation in the public or private sectors. The entries deadline for the first awards, which will be made in about May next year, is November 30.

Produktiwiteit kan inflasie bekamp

BAIE van Suid-Afrika se ekonomiese probleme kan aan 'n gebrek aan insae en geesdrif vir produktiwiteitsverhoging toegeskryf word.

Só sê dr. Jan Visser, uitvoerende direkteur van die Nasionale Produktiwiteitsinstituut. In 'n onderhoud met Sake-Rapport het dr. Visser kommentaar gelewer oor die stand van produktiwiteit in Suid-Afrika en die verband tussen produktiwiteit en die huidige stand van die ekonomie.

Wanneer na die vervaardigingssektor se produktiwiteitsprestasië gekyk word, val dit op dat die fisiese produksie per werknemer (beswaar met basisjaar-lone) sedert die vierde kwartaal van 1974 feitlik deurentyd negatief was, met 'n laagtepunt van 4 persent per jaar daling in die derde kwartaal van 1977. Aan die einde van die jaar April 1977 - Maart 1978 was die daling nog 2 persent.

Afwaartse

„Dit is normaal om tydens 'n afwaartse fase van die ekonomie 'n daling in arbeidsproduktiwiteit te ervaar, maar die ontstellende feit is dat die lone per werknemer voortdurend sterk bly styg het,” het dr. Visser gesê.

Sedert 1975 het die lone per werknemer met tussen 11 persent en 17 persent per jaar gestyg — dit terwyl die produksie per werknemer gemiddeld teen 'n koers van ongeveer 2 persent per jaar gedaal het.

Dit blyk dat baie nyweraars geswig het voor druk om die loongaping te vernou wat op sigself 'n baie goeie ontwikkeling was. Nyweraars het egter nie besef dat hulle terselfdertyd ook 'n groot verantwoordelikheid moet aanvaar nie, nl dat die loonstygning per werknemer

deur 'n produktiwiteits-toename vergesel moet word nie.

Inkomste

Dit laat 'n uitsetprysbeleid toe waar die addisionele inkomste uit uitsetprystoename die addisionele kostes uit insetprystoename onderverhaal sonder om die lewensvatbaarheid van die onderneming te bedreig.

• Dus kan die ondernemer inflasie deur middel van produktiwiteitstoename bekamp.

Dit is egter nie net arbeidsproduktiwiteit wat ter sake is nie. Metings wat die NPI gedoen het, toon dat die winste tov arbeids- en grondstofinsette van die vervaardigingssektor in 1977 in vergelyking met 1976 met R508 miljoen gedaal het. Laer arbeidsproduktiwiteit het R137 miljoen tot die syfer bygedra, en laer produktiwiteit van grondstofinsette R546 miljoen.

Winste

Hierdie negatiewe effek op winste van laer produktiwiteit is tot 'n mate gestuit deurdat nyweraars R175 miljoen meer in prysverhogings van eindprodukte van hul kliënte verhaal het as wat hulle self addisioneel vir hul primêre insette moes betaal.

„Dit is duidelik dat verlaagde produktiwiteit die sonder was om winste van ondernemings te verteer. Nyweraars het geprobeer om die verswakke winsposisie teen te werk deur inflasionistiese prysverhogings (dws uitsetprystoename het insetprystoename oorskry of oorverhaal). Op die wyse kan die stryd teen inflasie nie gewen word nie,” het dr. Visser gesê.

Hy het daarop gewys dat

indien die huidige inflasiekoers van ongeveer 11,5 persent gehandhaaf word, verbruikerspryse binne 6½ jaar sal verdubbel, met al die probleme wat dit vir die land en sy mense sal meebring.

Dr. Visser het dit duidelik gestel dat sy stellings veralgemenings is en dat alle nyweraars nie oor dieselfde kam geskeer kan word nie. Hy het voorbeelde van talle nyweraars genoem wat deur positief ten opsigte van produktiwiteit te reageer, hul winste aansienlik verhoog het, terwyl hulle inflasionistiese druk verminder het deur verhogings in insetpryse nie in totaal aan hul kliënte oor te dra nie.

Elkeen

„Dit is nodig dat almal in Suid-Afrika meer produktiwiteitsbewus moet word. Elkeen beheer op een of ander manier die gebruik van arbeid, materiaal en geld om goedere en dienste voort te bring,” het hy gesê.

Om persone, ondernemings en groepe wat buitengewoon presteer het op die gebied van produktiwiteitsverhoging te ver eer en erkenning aan hul prestasies te verleen, het die NPI onlangs 'n nasionale produktiwiteits-toekenning aangekondig.

Die toekenning sal in die toekomst jaarliks gedoen word en sal 'n besondere prestigewaarde hê.

Persone, ondernemings, groepe en so meer kan self vir die toekenning inskryf of daar kan namens hulle ingeskryf word. Die NPI het 'n brosjure oor die toekenning opgestel, en dit is beskikbaar van die Instituut, Posbus 3971, Pretoria 0001 of tel. 012-32306. Inskrywings vir die toekenning sluit op 30 November vanjaar.

Tabl

No		TAL
30		24
40		25
50		19
60		21
80		6
10		12
15		10
20		6
30		3
		126

Division 31: manufacture of food, beverages and tobacco.

Division 32: textile, wearing apparel and leather industries.

Division 33: manufacture of wood and wood products, including furniture.

PRODUCTIVITY BRINGS 258 PC PROFIT LEAP

AR 645
6/4/79
~~2187~~
2247

A LEAP of 258 percent in profit after tax has been achieved by Bonwit in the three years since it started a productivity improvement programme for the 1 400 workers in its nine Cape clothing factories.

Another R1,1-million of profits will flow in the next five years from both improved productivity and benefits from opening four factories in decentralised areas.

These figures come from Mr Jack Kipling, manufacturing controller of Bonwit, which won the Cape Employers Association trophy for productivity improvement in 1979.

R1 A DRESS

Two other measurable benefits were:

- Fabric savings of 7 percent over 12 months, which means almost R1 on a dress in the shop.
- Production increases of 45 percent, with a labour saving of 30 percent which gave an overall productivity increase of about 129 percent.

'But we still have a long way to go,' he told employers at a CEA experience exchange on productivity.

SHORTER RUNS

Bonwit's factories are spread over a radius of 100 km and its concentration on high-class women's fashion with shorter production runs made productivity difficult to raise.

After the National Productivity Institute showed the company's productivity was only average for the industry, a management services division with 35 people was set up to plan new and improved systems.

'One of our greatest strides forward was taking the decision to do away with any discrimination based on race or colour and opening up opportunities of advancement for all on merit.'

UNTAPPED

'This one move released an amazing amount of previously untapped human resource.'

Better use was made of labour, materials and machines.

By practising sound human relations on the factory floor and introducing an individual incentive scheme, operator motivation and stamina was raised.

Bonwit is a Truworths

Increased productivity could save millions

EAST LONDON — A mere one per cent improvement in productivity in the manufacturing sector during 1977 would have increased South Africa's real national product by R296 million

And the inflation rate would have been reduced by one percentage point.

Those facts emerge from the annual report of the National Productivity Institute which has just been released.

Measurement of the manufacturing sector showed that profits decreased during 1976 to 1977. Labour and material inputs combined contributed R508 million to this reduction, the report says.

Lower labour productivity alone contributed R137 million to this figure, while the reduced productivity of materials was responsible for R546 million, a combined decrease of R683 million. To a certain extent the negative effect on profits of low productivity, as reflected in the figures, was reduced by price increases amounting to R175

million which were passed on to customers by producers.

The report adds: "During the year under review, inflation has proved a major stumbling block in South Africa's economy. It is internationally recognised that productivity improvement is an essential and effective means of combating inflation."

"Increased income per person must be counter-balanced by increased production per person to avoid an imbalance between demand and supply."

"This statement must not be interpreted as meaning that productivity is related only to labour. It is essential that all the factors of production, of which labour is only one, should be utilised to the maximum."

Productivity improvement is the only way, the report maintains, in which people can improve their welfare — with welfare defined as the quantity of goods and services consumed by the individual. In the long run the con-

sumption per person can only be equal to the production per person.

For a number of years in the manufacturing sector in South Africa, output per unit of labour input had been decreasing, while wages and salaries had risen. During the period 1975 to 1977 labour productivity dropped on an average by two per cent a year. During the same period wages per worker increased between 11 and 17 per cent, with an average of 14 per cent.

Figures assembled by the NPI compare South Africa's inflation and growth rates with those of several of her trading partners. "It is clear," warns the report, "that a situation is developing where South Africa will find it increasingly difficult to compete with other nations on the international market."

South Africa had been lulled into a false sense of security since the anti-inflation campaign was launched in 1976.

— DDR

Naamkaart 3/6/79

247

Só stoot hulle produksie

DIE ses weners van nasionale produktiwiteitsertifikate wat Vrydag aand in Johannesburg deur die Nasionale Produktiwiteitsinstituut oorhandig is, toon presies hoe ver die produktiwiteitsnuurdeug al getrek het. Dit strek van konstruksie, by boubou verby, deur 'n klerefabriek, by 'n skeepsredery verby tot deur in Oos-Londen se pynappelplande. Nie alleen het al ses weners reus-produktiwiteitsverbetering getoon nie. Daar was selfs fenomenale prestasies.

Luister dan net bietjie na die Kaapstadse Bonwit, vervaardiger van modekle- re. Hy het in 1975 met sy produktiwiteitsverhoging begin. En dit het daartoe gelei dat hy sy netto wins ná belasting oor die afgelope drie jaar met 258 persent verhoog het.

'n Aanduiding van presies hoe indrukwekkend Bonwit se prestasie werklik was, is die volgende.

- Algehele produktiwiteit in agt fabriekke het in die vier jaar van 1975 tot 1978 (die toekenningsjaar) met 59,4 persent toegeneem.

- Arbeidsomset het van 64 persent tot 39 persent per jaar afgeneem;

- Die totale koste per kledingstuk het met maar net 6 persent gestyg, ondanks die feit dat materiaal-koste met 21 persent en arbeidskoste met 39 persent in die onderhawige jare gestyg het.

dienste van die Langeberg-Kooperasie se inmaakfabriek in Oos-Londen, het met verbeterde landboumetodes gesorg dat die pynappelboere van daardie wyke hul opbrengs per hektaar met 48 persent per jaar verhoog het.

Nie net is die opbrengs verhoog nie, maar ook die kwaliteit van vrugte. Die hele ding is oor 'n paar jaar gedoen en verlede jaar was daardie boere se pynappels puik.

Unicorn

Terselfdertyd is daarin geslaag om 'n meer ewerdige oesverspreiding te bewerkstellig, wat dit op sy beurt vir die inmaakfabriek moontlik gemaak het om nie net verhoogde produktiviteit te handhaaf.

Unicorn Lines van Durban het weer op 'n heel ander vlak sy ding gedoen. Hy het die tem 30 waarteen

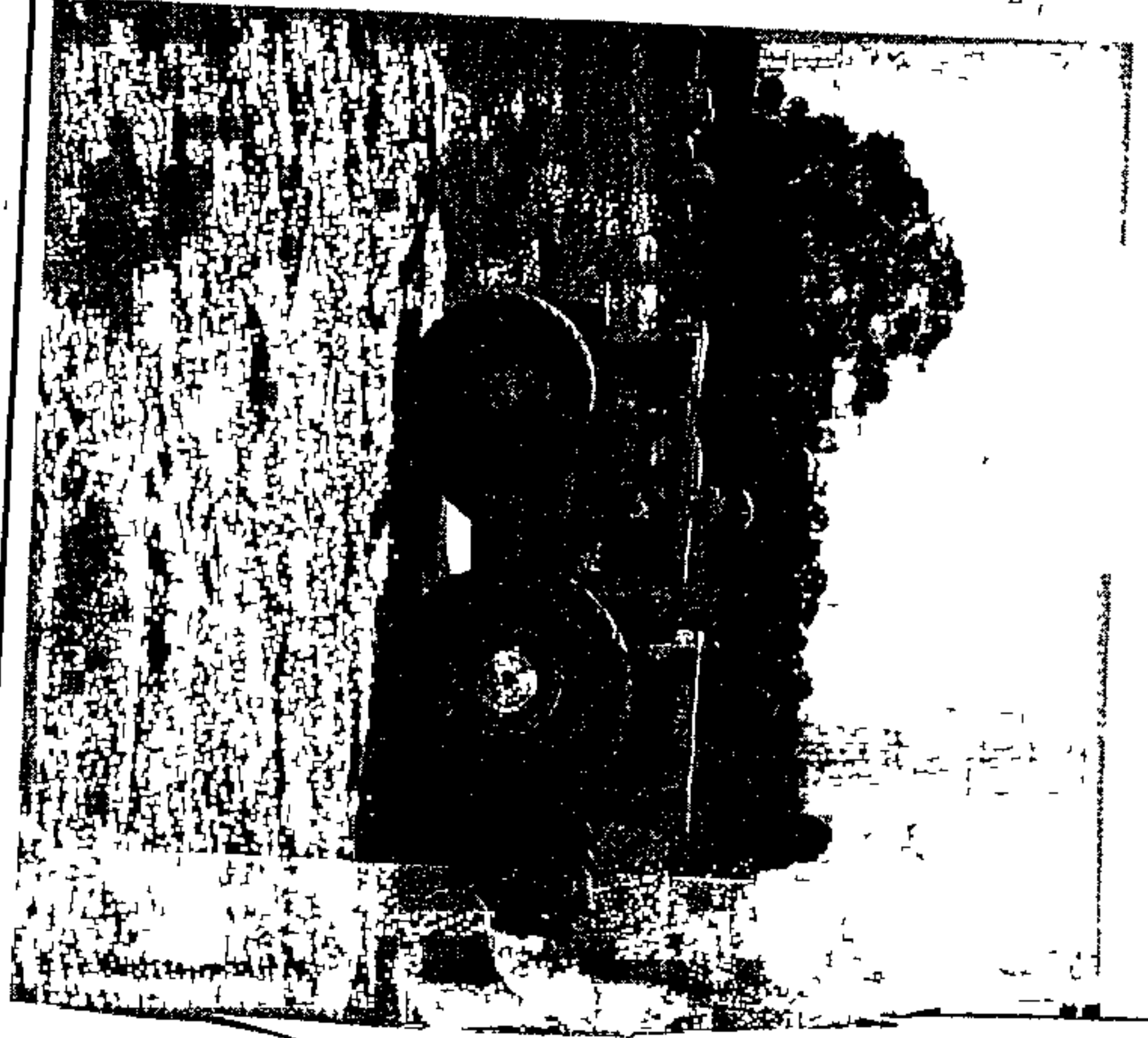
skeepsagente, die klarmense, vervoerondernemings ens betrek.

Die einde van die storie is dat die produktiwiteitsverhoging vir Unicorn 365 skeepsdae per jaar in die hawe gespaar het op die totale tonmaat wat op die jaarliks deur sy kusskeevaartdiens geantwoord word.

In die proses het die hawe-oewerheid sy koste verlaag en was dit moontlik om 'n verhoogte inkomste te kry deurdat ongeveer 240 000 ton vrugte per jaar ekstra gehanteer kon word.

In die bos het 'n span van Sappi weer op oorsese metodes verbeter en die boomontginning, soos daardie manne dit noem — 'n gebied wat dikwels in boubou verwaarloos word — goed opgetrek. Algehele produktiviteit is deur 'n verbetering van 'n Sweedse metode met 17 persent verhoog.

punt so reg na die hart van min. Chris Heunis, ons energie-minister, wat juis nou die aand die woord gevoer het by die uitdeling van die sertifikate wat ons hierbo genoem het, plus nog 'n hele klomp merietesertifikate vir manne wat almal 'n hupstoot in die verhoging van produktiviteit gegee het.



MET hierdie vasslamper van grond agter 'n trekker, het 'n Johannesburgse siviele ingenieur met die helfte gesny

• **Materiaalbesparing** deur behoorlike snykamerpraktyke het verlede jaar R450 000 bedra.

En hoor hoe dit op die plaas gegaan het. Mnr D S le Grice, bestuurder veld-

hag, in die Durbanse hawe hanteer, van Julie 1977 tot Oktober verlede jaar met 38 persent verhoog. In die proses is alle fasette wat by die vraghantering betrokke is, soos die Spoorweë, stuwadore,

Plus-punt

Die span het bv. die ou metode van sowat 45 kubieke meter hout per dag met 'n trekker uitsleep, opgestoot tot 100 kubieke meter per dag. En dit was maar een aspek van die totale prosesverbetering.

'n Siviele ingenieur van Johannesburg, mnr. A.R. Berrangé, kry die laaste (maar nie minste) woord in met sy ontwerp van 'n impakroller wat grond doeltreffend in dik lae verdig. Tot twee voet kan op 'n slag vasgestamp word. Die meer konvensionele metodes kon nie naby dit haal nie.

Op die Berrangé-manier word verdigtingskoste tot 50 persent op 'n verskeidenheid van grondwerke verlaag. Die konstruksietyd is natuurlik minder en daar word minder toerusting nodig en ook minder brandstof.

En laasgenoemde is in hierdie dae 'n ekstra plus.

Rapport

3/6/79

247

247

True, the curve of a graph which tracks performance since the mid-1970s shows that manufacturers have even now managed to do little better than recover from the worst of the recession and haul

Retailers covered in the survey expect the sales

In other words, July sales by value will be no more than 12.7 percent higher than a year ago and less than that compared with two years ago. In short, once an inflation rate of 12.8 percent is taken into account, sales by volume are at best at a standstill.

But will the cuts be enough to put some real ginger into the retail business? Perhaps the Minister of Finance will need to pull still more rabbits out of the hat if the economic wheels are going to turn faster.

Register
Black
Union
Call
Doubtless
May 1919

THE ASSOCIATION—The Commission has recommended that black trade unions be recognised because they have become part of the fabric of South Africa's industrial life—a position which can only become "further entrenched."

The commission says one of the existing need for various types of skilled artisans in certain regions and sectors of the South African economy in general and the danger for serious shortages in the event of a significant upswing in the economy in the near future.

Other factors are

① The need for skilled artisans in the Black townships in the light of present and expected efforts to improve the quality of life in the townships.

② The need for skilled artisans in the Black states to sustain and promote economic development there.

③ The limited number of artisans in Black townships who are qualified to train Black apprentices in various trades in the townships.

The commission says it is of the opinion that if changes are introduced in the labour field with the

THIRTY are a number of
cases which makes it im-
possible to review the exist-
ing cases and policies in
so far as the individual in-
terests of black appen-
dices in particular are con-
cerned, the Michigan (com-
mission) says

Says

The first of these is the fact that the
 Commission has not yet received any
 information from the Government of
 the United Kingdom as to whether
 it has any plans to introduce
 legislation to prohibit the export
 of arms and ammunition to
 South Africa.

The multiplicity of the minorities that might occur will largely be determined by the orderly development of the new system. The commission is aware of the fact that a new

South African
Review

Page 102

Main recommendations of P are:

- The station of trade unions
- African members including
- Governmental action
- The station of statutory job reservation
- The station of statutory job reservation
- The station of statutory job reservation

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WIEHANA
REPORT

Open unions 102

South African Press Clippings, week ending
06 MAY 1979

Review of Training urged

There are a number of necessary changes and adjustments which must be made in the curriculum of the training of police officers in South Africa. The curriculum should be broadened to include a wider range of subjects, including the history and culture of the country, the law, and the principles of democracy. The training should also be made more practical, with a greater emphasis on field exercises and the use of live scenarios. The curriculum should be reviewed and updated regularly to reflect the changing needs of the country and the world. The training should be made more inclusive, with a greater emphasis on the needs of the black population. The curriculum should be broadened to include a wider range of subjects, including the history and culture of the country, the law, and the principles of democracy. The training should also be made more practical, with a greater emphasis on field exercises and the use of live scenarios. The curriculum should be reviewed and updated regularly to reflect the changing needs of the country and the world. The training should be made more inclusive, with a greater emphasis on the needs of the black population.