

► Project Results Brief

February 2025

Promoting Productivity and Decent Work in South Africa's Clothing Manufacturing Industry

Summary

- In response to the prevailing challenges facing South Africa's clothing manufacturing industry, the Flanders-funded ILO project aimed to strengthen productivity, and decent work drivers through a systemic approach.
- Informed by a business support ecosystems mapping, the project implemented targeted interventions at the sectoral and enterprise levels in close collaboration with the National Bargaining Council for the Clothing Manufacturing Industry (NBCCMI).
- The project engaged key stakeholders to ensure alignment with the Retail-Clothing, Textile, Footwear, and Leather (R-CTFL) Master Plan.
- At the sectoral level, the capacity of NBCCMI and SCORE Trainer network was strengthened. SCORE Training was implemented in 40 enterprises, resulting in improved productivity in 64% of the participating enterprises. Furthermore, 56% of them experienced reduction in absenteeism and 40% of them increased wages.
- To overcome bottlenecks to productivity growth, including outdated production methods, insufficient skills and financial constraints, the industry should seize opportunities through investing in skills development, industry collaboration and technology adoption, which can drive long-term growth and transformation.

Introduction: Context of the South African clothing industry

South Africa continues to experience high levels of unemployment, informality, inequality and poverty, with an unemployment rate of 31.9% in 2024.¹ However, an upward trend has been observed in employment from 2019 to 2024 (except for a slight decrease in 2023). There is a net increase in total employment by 355,000 from 2023 to 2024, i.e., from 16.7 million in the fourth quarter of 2023 to 17.1 million in the fourth quarter of 2024. Notably, this increase was largely driven by growth in the number of people

employed in manufacturing (11.1%) and transport (4%) sectors¹.

Within the manufacturing sector, the retail, clothing, textiles, footwear, and leather (R-CTFL) industry is of particular importance to the South African economy. As of 2022, the total sales of textiles, clothing, clothing accessories, leather, and footwear amounted to approximately ZAR 154.4 billion, accounting for 13.9% of total retail sales.² In terms of employment, the R-CTFL industry generated approximately around 198,000 jobs in 2022, representing approximately 1.25% of total

¹ Statistics South Africa. 2025. Quarterly Labour Force Survey: Quarter 4, 2024 (P0211).
<https://www.statssa.gov.za/publications/P0211/P02114thQuarter2024.pdf>. Accessed on 21 March 2025.

² Statistics South Africa. 2023. Retail trade sales: Textiles, clothing, footwear and leather, 2022 (Report No. 62-01-02).
<https://www.statssa.gov.za/publications/Report-62-01-02/Report-62-01-022022.pdf>. Accessed on 21 March 2025.

employment.³ While the industry contributes an estimated ZAR 74 billion in Gross Value Added, or 1.7% of domestic GDP to the economy, the R-CTFL industry has not seen a significant increase in terms of contribution to the GDP over the years, indicating limited growth and potential underdevelopment.⁴

The R-CTFL industry has faced various challenges in the last decade and has lost market share to other clothing producing countries where labour costs are lower.⁵ Furthermore, it is falling behind its international peers in terms of productivity and competitiveness, which manifests in the industry's difficulties in competing with imports to local markets and in accessing export markets. At the enterprise level, the R-CTFL industry suffers from decent work deficits, with many workers facing low wages, job insecurity, poor working conditions, and limited access to social protection.⁶ Informality is prevalent, particularly in smaller enterprises, where compliance with labour regulations and minimum wage standards remains inconsistent.⁷ Furthermore, small and medium enterprises (SMEs) in industry faces productivity constraints due to outdated production methods, limited investment in skills development, and slow adoption of advanced manufacturing technologies.⁸ These factors hinder the industry's ability to compete both locally and globally.

Subsequently, there has been a concerted and consolidated drive by the government, employers' and workers' organizations to support the industry in finding ways to sustain existing businesses and jobs alongside efforts to grow the industry and create new jobs. One example of these integrated efforts is the Retail-Clothing Textile Footwear and Leather (R-CTFL) Master Plan developed through extensive research and consultation with industry stakeholders.⁹ Its vision is to promote "a competitive, sustainable and dynamic R-CTFL value chain

that provides its customers with compelling products and that is invested in growing employment and advancing inclusion and transformation".

Project strategy and objectives

With the support of the Government of Flanders, the ILO implemented a 24-month project on "Promoting Decent Work through Productivity and Workplace Cooperation Interventions in South Africa's Clothing Manufacturing Sector" between 2023 and 2025. The ultimate goal of the project is to improve productivity and working conditions of SMEs and their workers by addressing the challenges facing South Africa's clothing manufacturing industry. The project consisted of two complementary components:

1. At the **sector level**, the project sought to strengthen the capacity of key sectoral stakeholders that provide support to the clothing manufacturing industry. Specifically, the project worked closely with the National Bargaining Council for the Clothing Manufacturing Industry (NBCCMI) to ensuring that they deliver high quality and accessible services to SMEs in the industry during and beyond the lifetime of the project. Furthermore, the project engages stakeholders of the R-CTFL Master Plan to ensure its strategy and interventions align with national priorities.
2. At the **enterprise-level**, the project focused on improving productivity, competitiveness and decent work through the implementation of SCORE Training in textile and clothing manufacturing SMEs (see Box 1). In addition to promoting cooperative working relations between managers and workers, special emphasis was also given to environmental sustainability and gender equality.

³ Western Cape Government, 2021. Clothing and textiles master plan 2021. https://www.westerncape.gov.za/assets/departments/economic-development-tourism/clothing_textiles_and_leather.pdf. Accessed on 29 February 2024.

⁴ Ibid.

⁵ See the Retail - Clothing Textile Footwear and Leather (R-CTFL) Master Plan. <https://twyg.co.za/wp-content/uploads/2020/06/CTFL-Master-Plan-booklet-v-31-CLEAN-October-2019.pdf>. Accessed on 29 February 2024.

⁶ Department of Labour, South Africa. (2009). Making visible the invisible: Confronting South Africa's decent work deficit. Retrieved from <https://www.labour.gov.za/DocumentCenter/Research%20Documents/2001-Making%20visible%20the%20invisible%2C%20confronting%20Sou>

<th%20Africa%E2%80%99s%20decent%20work%20deficit.pdf>. Accessed on 21 March 2025.

⁷ Centre for Development and Enterprise (CDE). 2011. Job destruction in the South African clothing industry: How an alliance of organized labour, the state and some firms is undermining labour-intensive growth. <https://cde.org.za/wp-content/uploads/2018/07/Job-destruction-in-the-South-African-clothing-industry-CDE-Focus.pdf>. Accessed on 21 March 2025.

⁸ Human Sciences Research Council (HSRC). (2008). The clothing and textiles skills audit: Final report. University of Cape Town. Retrieved from https://humanities.uct.ac.za/sites/default/files/content_migration/humanities_uct_ac_za/1380/files/HSRC%2520C%2526T%2520Skills%2520Final%2520Revised%2520Report%252028%2520Mar%25202008.pdf. Accessed on 21 March 2025.

⁹ National strategy for the manufacturing industry in South Africa

► **Box 1. Sustaining Competitive and Responsible Enterprises (SCORE) Programme**

The ILO SCORE Programme improves productivity and working conditions in SMEs, with a focus on developing cooperative working relations that translate into shared benefits for SME owners, managers and workers. The key intervention of the Programme is SCORE Training, which demonstrates best international practices in the manufacturing and service sectors and helps SMEs participate in global supply chains.

► **Training methodology**

Through a combination of practical classroom training and onsite consulting, SME managers and workers are encouraged to put the training into action in the workplace with the support from industry experts. An Enterprise Improvement Team is established within each enterprise to drive continuous improvement beyond the training period. The SCORE Programme encompasses a wide range of training modules including workplace cooperation, quality improvement, climate action, workforce management, safety and health at work, gender equality and responsible business.

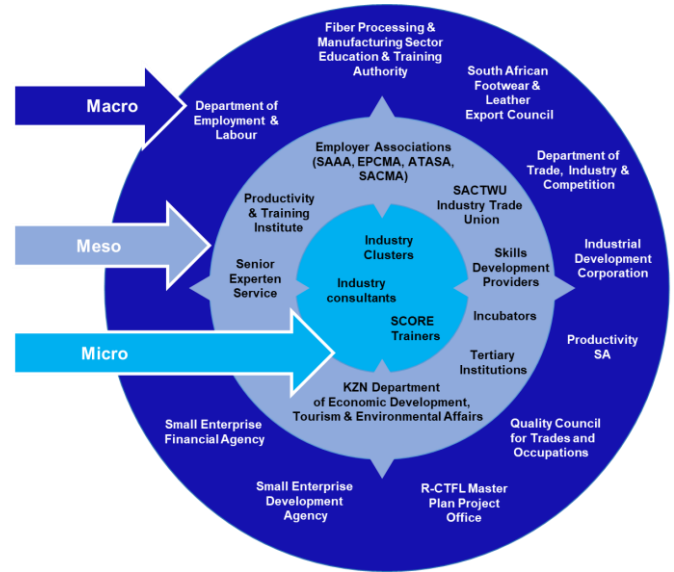
Business support ecosystem mapping

To better understand the key players in the business support ecosystem, a mapping study was undertaken to examine the institutions and business support organizations (BSOs) that provide technical assistance and services to enterprises. Based on an analysis of the current gaps associated with access to and quality of services in the clothing manufacturing industry, the study provides recommendations to improve the business support ecosystems for clothing manufacturing enterprises, with a view to boosting productivity, enhancing competitiveness and creating jobs.

The methodology comprises desk research and collection of primary data through interviews with informants from key institutions and BSOs in the industry regarding the challenges, current gaps, opportunities facing the industry and available services.

Key institutions and services offered

In total, the study identified 56 institutions that are currently providing support services to small and medium-sized enterprises (SMEs) in the clothing manufacturing industry in areas such as procurement, export, business development and consulting, and education and training. The diagram below shows the distribution of these entities at the macro-, meso- and micro-level respectively.



- **Macro-level:** government departments and agencies, R-CTFL Master Plan project office, as well as sectoral institutions with a national mandate;
- **Meso-level:** business support organizations operating at provincial and /or at institutional/industry level, including provincial government institutions, training institutions and providers;
- **Micro-level:** Two industry clusters comprising manufacturing companies in the Western Cape and KwaZulu-Natal and, industry specific consultants including SCORE Trainers.

The main types of services provided by the key institutions in the BSO ecosystem are highlighted below:

1. Financial support (including grants and rebates)

Macro-level	- The Industrial Development Corporation (IDC) provides financial support to compliant employers through four CTFL Growth Programs, including Capex funding, Working capital, start-up funding, in the form of interest-free loans and grants. - The Department of Trade, industry, and Competition (DTIC) provides local content rebates. - The Small Enterprise Financial Agency (SEFA) provides financial products and services to qualified MSMEs and cooperatives through a hybrid of wholesale and direct lending channels. - The Fibre Processing and Manufacturing Sector Education Training Authority (FP&M SETA) offers a number of grants, including PIVOTAL grants, Discretionary Grants, Mandatory Grants, Special Projects. In addition, it sometimes provides National Skills Fund grants to employer.
Meso-level	The KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs (KZN EDTEA) provides special funding through the Operation Vula project for MSMEs and entrepreneurs, including previously disadvantaged groups.

2. Non-financial incentives

Macro-level	- The DTIC aims to promote purchase and procurement from for retailers, as well as cabbings illegal imports. Its offering provides solutions when it comes to incentives for local content, customs dealings with imports, and liaises partly with the export council. - The South African Footwear and Leather Export Council (SAFLEC) offers programmes that facilitate market access, and it enhances the exposure of entrepreneurs and designers to export and roadshows. - The Small Enterprise Development Agency (SEDA) provides non-financial support to small enterprises and cooperatives over a period of three years. - The project office of the Retail-Clothing, Textile, Footwear, and Leather (R-CTFL) Master Plan works with the government to provide incentives for upgrading the industry to increase the competitiveness of local value chains, support skills development and improve sustainability.
Meso-level	Tertiary institutions including universities, Universities of Technology and technical vocational education and training (TVET) colleges, are funded by the government to provide the industry with academic qualifications for acquisition of skills and competence and career progression.

3. Policy development and advice

Macro-level	- The Department of Employment and Labour (DEL) develops policies and programmes in consultation with social partners, aimed at improving productivity, employment creation, labour relations, as well as eliminating inequality and discrimination at the workplace. - The DTIC supports policy development on local procurement hence liaison with regulators like the NRCS when it comes to PPE, parliament, treasury, NBC, etc. The DTIC Clothing desk is actively involved in cross agency forums to ensure local procurement.
Meso-level	Employers' associations analyze and disseminate information relating to labour policy, labour management relations and collective bargaining, thereby offering employers advice concerning various aspects of labour policy. - The key role of the South African Clothing & Textile Workers Union (SACTWU) is to represent the interests of employees in negotiation for wages and working conditions. It has developed strong relationships with the government and industry partners.

4. Capacity and organizational development (including all forms of training and consulting services)

Macro-level	• Both the DEL and Productivity SA (PSA) provides government-funded consulting services. • The SAFLEC supports capacity building of the industry and entrepreneurs through upskilling programmes to promote their competitiveness and export potential through improved productivity, export efficiency, sustainability and waste management. • PSA offers capacity building programmes in three areas, including competitiveness and improvement services for start-ups, emerging, and global competition; business turn around and recovery; research, innovation and statistics. • The Small Enterprise Manufacturing Support Programme offered by SEDA and SEFA aims to improve the industrial base of the manufacturing sector for both domestic and external market. • With the funding from FP&M SETA, enable employers are able to invest in skills development of their workers through a quality assured process.
Meso-level	• The KZN EDTEA develops an incubation centre to enhance the skills development for entrepreneurship, non-profit organizations, skills development providers, and partnering with industry stakeholders. • Some tertiary institutions provide accredited and customized programmes for the industry and partner with the industry on research projects. The tertiary qualifications are aligned with the industry needs based on latest research regarding future jobs and technology. • The SACTWU provides employees with capacity building on productivity, conduct and ethics. • Senior Experten Service (SES) offers advisory services targeting at SMEs, business associations and training institutions in response to their demand and need. Their experts provide recommendations to clients and onsite mentoring for businesses. • The role of the Productivity and Training Institute (PTI) is to diagnose the state of the sector in terms of productivity and competitiveness and to provide solutions to mitigate the identified gaps and challenges. • The main offering of Skills Development Providers (SDPs) are skills programmes and learnerships, as well as consulting services and non-accredited programs. • Funded through the SETA grants and other funding options, incubators provide capability development services to the industry.
Micro-level	• The industry clusters aim to build the capacity of the industry and enhance market access through skills development, research, surveys and benchmarking to identify industry needs and opportunities for improvements. • Industry consultants, including SCORE Trainers, offer a range of capacity development and consulting services, including productivity improvement services, organizational diagnosis, solution designs, as well as provide resources, equipment and training.

Key challenges and opportunities

Some of the key challenges highlighted by industry stakeholders being interviewed include:

- Stagnant Industry growth, as many enterprises still deploy outdated production methods and equipment
- Insufficient buy-in of the R-CTFL Master Plan, as not all segments of the industry are represented
- Inadequate collaboration and dialogue among industry stakeholders
- Lack of a skills development strategy for equipping enterprises and workers with skills related to business management, human resources and new technologies
- Over-reliance on external support and grants to provide training undermines the sustainability of capacity building initiatives
- Insufficient transparency in the access and distribution of funding
- Reliance of imported fabric and additional costs due to the delay in the arrival of fabrics
- Workers are not paid competitive wages due to the outdated job design methodology

Despite the challenges outlined above, some informants agree that the R-CTFL Master Plan has opened channels for proper engagement between the enterprises and retailers, while also promoting access to government support. Its mandate provides an opportunity for the industry to meet the retailers' needs and minimize unhealthy competition.

With a rapidly changing market, the industry needs a new way of operation, with more innovation, research, benchmarking and business knowledge. Moving forward, it would be important for industry stakeholders to embrace and seek change by welcoming new entrants and external advisors. There is much untapped talent and opportunities to be explored, such as through recruiting a new generation of employees with advanced technology knowledge, facilitating industry innovation through incubators, and promoting the industry's exposure to new markets through export platforms and roadshows.

Recommendations

National level

- The sustainability of the R-CTFL master plan requires **active engagement and concreted efforts by all industry players**. Therefore, a wider industry

representation should be encouraged in decision-making.

- To tackle the bottlenecks and revitalize the clothing manufacturing industry, there is a need to reinforce the R-CTFL strategy by developing measures to **address illegal practices related to imports and ensure compliance with labour laws**.

Sectoral level

- **More collaboration with tertiary institutions**, including technical and vocational education and training (TVETs) institutes and universities of technology, should be explored, which have could support the industry through research, knowledge generation and benchmarking. Increased transfer of knowledge and skills between the industry and academia could enhance access to updated technologies, as well as facilitate the assessment of current and future needs.
- Government clustering has proven to be an effective approach to maximize scale and drive impactful results. The industry can **leverage more on the clusters** to promote networking, knowledge dissemination and drive innovation at a large scale.
- To address existing skills haps, there is a need to **formulate a sector-specific skills development strategy**. The quality and relevance of training can be improved by developing a skills development framework and competency matrix for all training providers, including BSOs and business consultants. Training standards of the industry should also be updated.
- To avoid conflict of interests or preferential treatment, there should be **more consensus and transparency on how funding is distributed**. Funding models should be adapted in alignment with the actual needs of the industry, accommodating both employers' and workers' interests. In addition to reassessing how the grants are distributed to employers and skills development providers, it would be important to ensure training quality and effectiveness as well as return on investment.

Enterprise level

- Some employers are not aware of the value of investing in skills development of their workers, and are therefore reluctant to release their workers for training. Industry consultants can play a key role in **offering training programmes that are more flexible and tailored** to accommodate the specific needs of enterprises.
- To improve enterprises' competitiveness, employers should **enhance their use of digital technologies**. For example, social media platforms can be leveraged for improving communication and visibility, as well as disseminating information about the industry trends.

Project impact and results

Taking into account the findings from the Business support ecosystem mapping, the project implemented a range of integrated interventions across of the sectoral- and enterprise-level, with a view to strengthening productivity and decent work drivers of the clothing manufacturing industry. The key results achieved are highlighted below:

Engagement with industry stakeholders

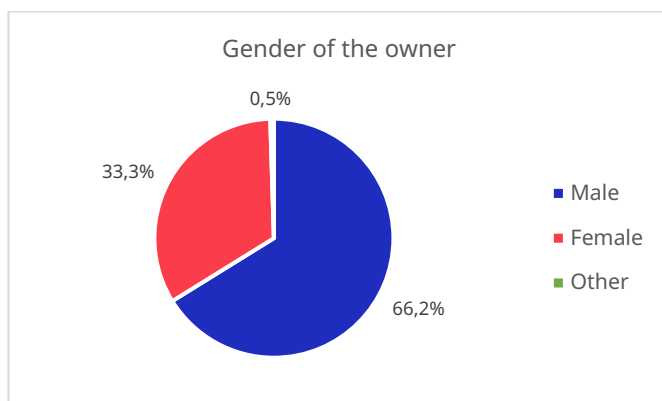
As a key implementation partner of the project, NBCCMI met with the R-TCLF Master Plan subcommittee on Productivity and the Masterplan Steering Group regularly to present the project progress and ensure its alignment with the R-TCLF Master Plan. Furthermore, NBCCMI have also engaged with social partners to make sure that the project's interventions respond to the industry's priorities. Recognizing the relevance of SCORE Training to enhancing productivity and decent work of the industry, key stakeholders have endorsed the project and some even shown commitment to promoting it among SMEs.

Strengthening the support ecosystem

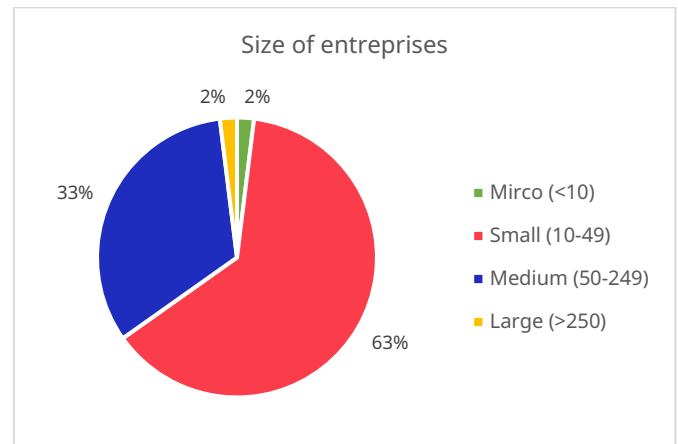
1. NBCCMI Membership Analysis

To help NBCCMI improve their services for member companies, an online survey was administered to better understand the profile of their members, as well as their challenges and training needs. A total of 204 responses were received and the key findings are presented below:

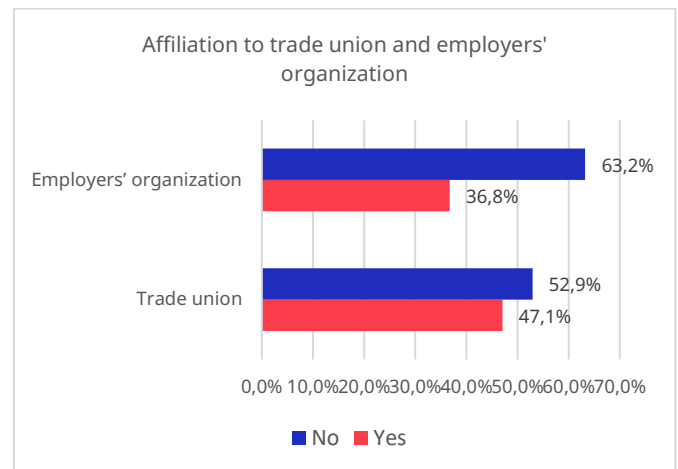
There are a total of 11,032 staff across the 204 enterprises, in which 58% are female. Two-thirds of the enterprises responded to the survey are male-owned.



The majority of respondents are small and medium enterprises and only a few are micro and large enterprises.¹⁰



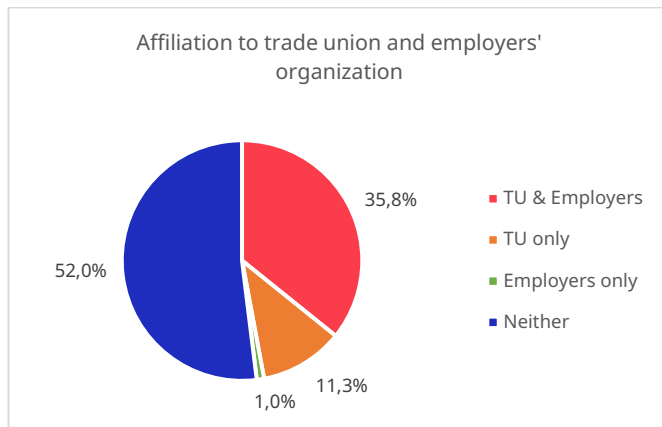
While nearly half of respondents are unionized (mostly with SACTWU), less than 40% are affiliated to an employers' organization (notably Apparel and Textile Association of South Africa and a few with South African Clothing Manufacturers Association).



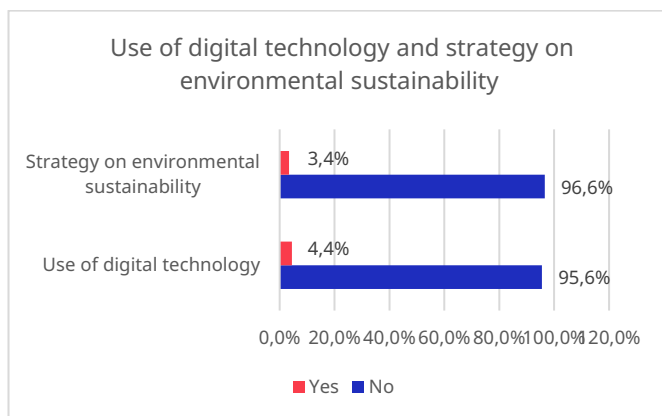
Notably, over half of the respondents are neither affiliated with a trade union nor an employers' organization, and 35.8% of them are affiliated to both. While 11.3% of respondents are unionized but not affiliated to any employers' organization, only 1% are affiliated with an employers' organization but not unionized.

¹⁰ According to the ILO, the classification of enterprises by number of employees is generally as follows: Micro enterprises: 1–9 employees;

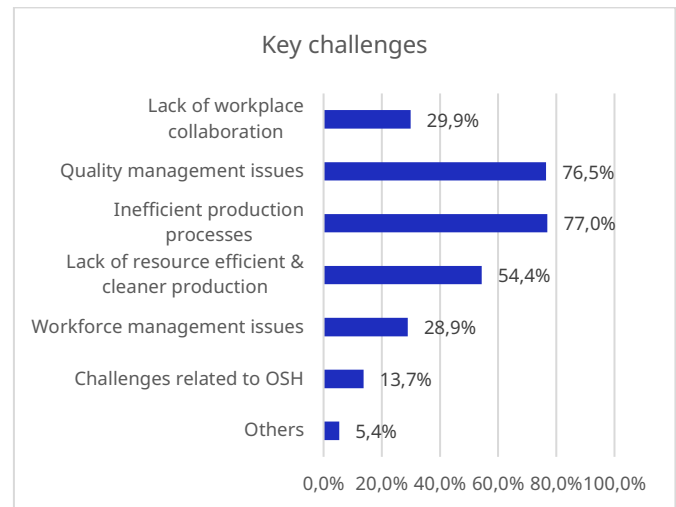
Small enterprises: 10–49 employees; Medium enterprises: 50–249 employees; Large enterprises: 250+ employees.



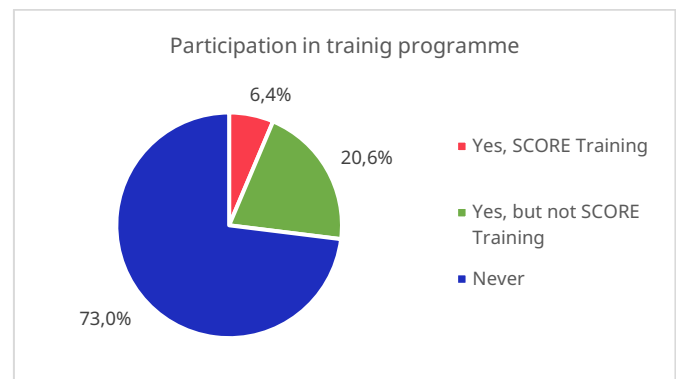
Only 4.4% of the respondents use digital technologies in their production processes and operations. These include automated machines, scanners and digital screen displays. Similarly, only 3.4% have developed a strategy to improve environmental sustainability and reduce carbon footprint. They comprise a wide range of measures including wastewater treatment, reselling offcuts, recycling yarn waste, use of eco-friendly inks and reducing emissions.



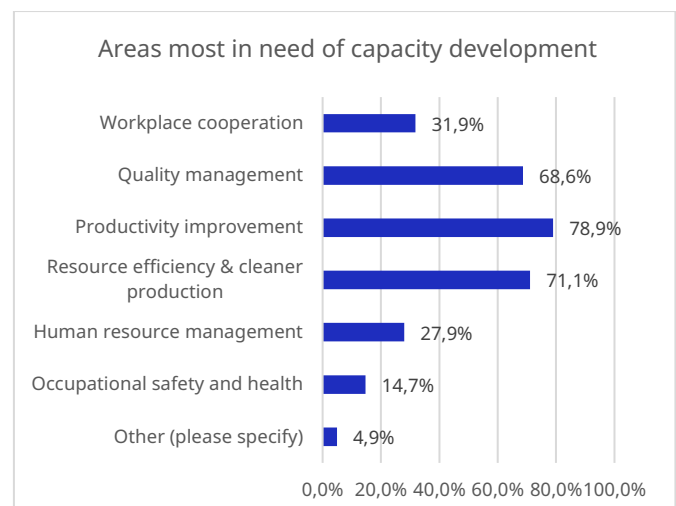
According to survey respondents, two of the biggest challenges facing NBCCMI's members are inefficient production processes (77%) and quality management issues such as defects and lack of quality control systems (76.5%). Approximately 54% of them also indicated a lack of resource efficient and cleaner production techniques as an important concern. To a lesser extent, lack of workplace collaboration (such as insufficient management-worker communication) and workforce management issues (such as absenteeism and retention of employees) are considered a major challenge by nearly 30% of the respondents. Only around 14% of respondents noted challenges related occupational safety and health. Other challenges specified include limited space, lack of skills workers, financial constraints, outdated machinery and equipment.



Only 6.4% of respondents have participated in SCORE Training, while around 20% have undertaken other training, primarily on workplace cooperation, productivity and mentorship programmes.



The most crucial areas where members have the strongest needs for training and capacity development are productivity improvement (78.9%), which is followed by resource efficiency and cleaner production (71.1%) and quality management (68.6%).



2. Institutional improvement plan

With the support from the ILO, an institutional improvement plan is being developed by NBCCMI based on the findings from the memberships analysis with the goal of enhancing the services for their members. The plan consists of the following three pillars:

1. Strengthen member engagement and representation

- Improve communication with members through digital communication channels and platforms for disseminating industry updates and foster collaboration. A digital platform can also be developed to facilitate exchange of knowledge and resources, as well as provide networking opportunities.
- Encourage broader affiliation with trade unions and employers' organizations to ensure members' representation in the of industry.

2. Facilitate collaboration among industry stakeholders

- Strengthen collaboration among SMEs through industry clusters in different provinces. These clusters can promote knowledge sharing, innovation and networking.
- Organize regular stakeholder dialogue forums with government agencies, unions, employers' organizations to align initiatives with the R-CTFL Master Plan.

3. Enhance service offers and support to members

- Incorporate SCORE Training into NBCCMI's service portfolio and increase participation among members and non-members by promoting its benefits in improving productivity, resource efficiency and quality management.
- Promote technological adoption among members, including through developing tailored training on advanced technologies and facilitating access to digital technologies among SMEs in partnerships with technology providers.
- Maintain close collaboration with SCORE Trainers to ensure the quality of SCORE Training and to monitor the improvements in SMEs. Regularly review progress through surveys and feedback from SMEs.

By implementing the proposed activities above, NBCCMI can strengthen its institutional capacity, better serve its members, and contribute to revitalizing South Africa's clothing manufacturing industry.

3. Capacity building through SCORE

To strengthen the support ecosystem of the clothing manufacturing industry, the project worked closely with NBCCMI to build their capacity through implementing the SCORE Programme. The ILO provided technical support to NBCCMI in coordinating the work of five local SCORE Trainers under the supervision of an international SCORE Expert Trainer. In particular, a number of online capacity building workshops have been organized for the SCORE Trainers, including the following:

1. **SCORE Refresher Training Workshop** (15th-16th January 2024): Led by the SCORE Expert Trainer, the workshop provided an opportunity for trainers to revisit key SCORE topics and methodology;
2. **Communications Training** (20th November 2024): To enhance the project's visibility, a training on leveraging social media to maximize the impact of SCORE Training was organized, during which SCORE Trainers were able to learn from a communications expert on how to create impactful social media posts to promote their work and how to take good photos;
3. **Improving the Effectiveness of SCORE Implementation Workshop** (6th December 2024): This workshop sought to address the challenges faced by SCORE Trainers. Practical guidance was provided by the Expert Trainer to improve the delivery and promotion of SCORE Training.

Improving productivity and decent work in SMEs

From February 2024 to April 2025, SCORE Training was delivered to 40 clothing manufacturing SMEs, with a focus on the Workplace Cooperation module. As the foundation module for enterprises participating in SCORE Training, it focuses on improving collaboration between workers and management to enhance productivity, working conditions, and business performance. Its key objectives include:

- enhance communication and trust between workers and management
- improve problem solving by encouraging teamwork
- boost productivity and efficiency by improving operational performance
- create a better work environment by reducing conflicts, enhancing motivation, and building a culture of respect
- encourage worker participation by involving workers in decision-making and driving continuous improvement

Following a two-day classroom workshop, four to six enterprise visits were organized at each SME during which

enterprise improvement projects were implemented at the workplace with the support from local SCORE Trainers.

1. Overview of enterprise profile

The SMEs benefited from the project manufacture a wide range of products, including shirts, denim, outerwear, socks, knitwear, sportswear, uniforms, personal protective equipment and other clothing accessories. Their year of establishment ranges from 1948 to 2024. Out of the 40 enterprises, 35% are female-owned. Over half of them (55%) have attained certifications, including quality and compliance certifications (e.g. ISO 9000:2015, ISO 9001:2015 and NBCCMI Compliance Certificates), as well as those related to industry and ethical standards such as those offered by South African Bureau of Standards (SABS), European Union Textile Association (EURATEX) and Fair Wear Foundation (FWF). Only 18% of the enterprises export their products, either to Europe or nearby countries such as Namibia, Zimbabwe and Malawi. Some of them also sell their products online. Almost all of them (except one) use digital wage payments.

Over half of the participating enterprises are affiliated with a Business Membership Organization, including NBCCMI, South African Apparel Association (SAA-A), Apparel and Textile Association of South Africa (ATASA) and Eastern Province Manufacturers Association (EPMA). On the other hand, 75% of them are unionized with SACTWU.

2. Summary of enterprise improvements¹¹

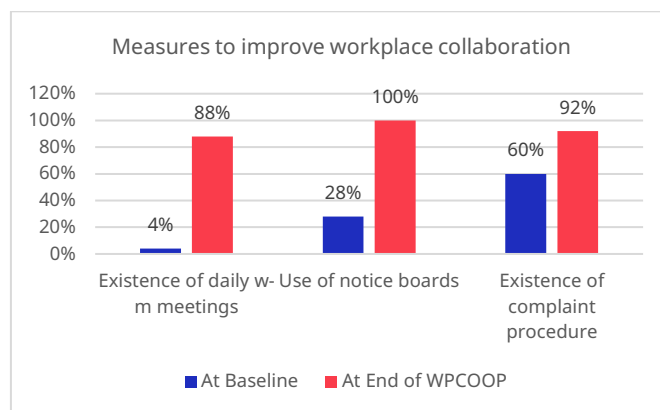
The table below provides an overview of the workforce in the participating enterprises at the baseline:¹²

	Total	% female
Total workforce	3,747	75%
Managers	140	55%
Supervisors	138	70%
Permanent workers	3,409	76%
Temporary/contract workers	144	74%

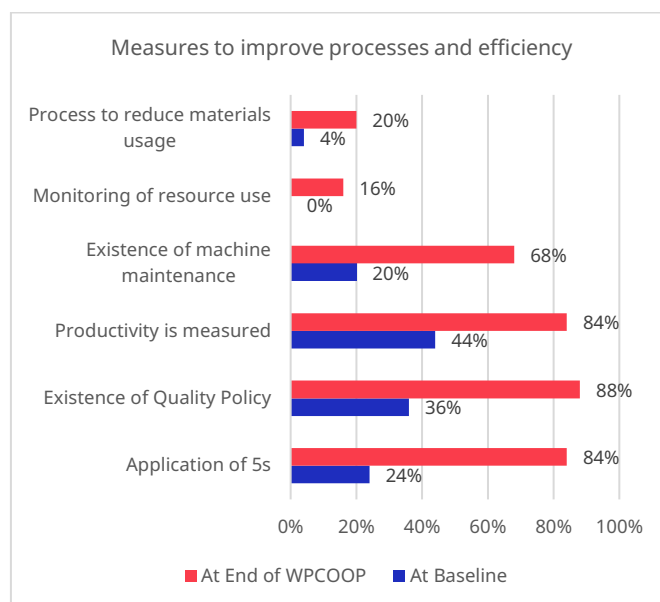
The vast majority of participating enterprises were satisfied with SCORE Training, which is reflected in the average 96% satisfaction rate. Following SCORE Training, enterprises adopted a wide range of enterprise improvement projects.

To improve workplace collaboration, daily meetings between workers and managers were implemented by 88%

of the enterprises following SCORE Training. All enterprises installed notice boards to facilitate communication, while the percentage of enterprises that have established a complaint procedure rose from 60% to 92%.



Participating enterprises have also taken steps to improve their production processes and efficiency. At the end of SCORE Training, over 80% of them have adopted a quality policy, 5S methodology and productivity measurements. While almost all enterprises were not aware of the importance of monitoring and reducing the use of resources, some of them have taken steps to monitor resource use (16%) and reduce material consumption (20%) following SCORE Training.

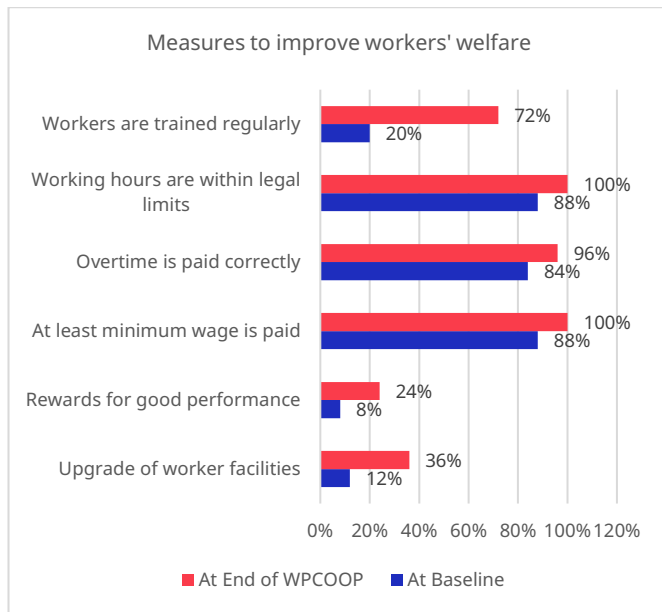


Following SCORE Training, considerable improvements can be observed in terms of workers' welfare. Notably, all

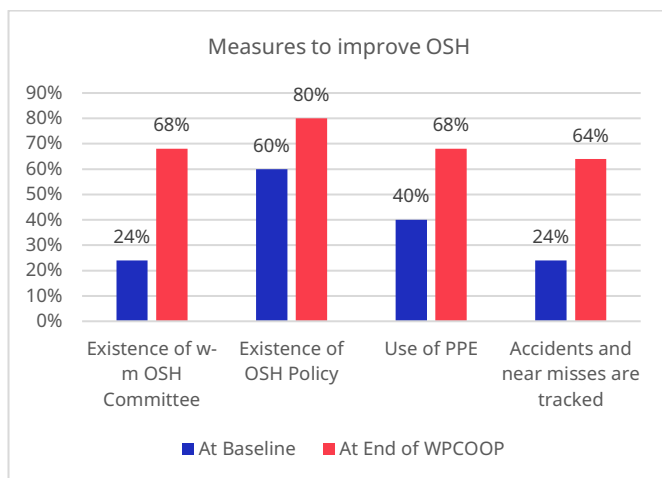
¹¹ As SCORE Training was ongoing for some of the participating enterprises when this brief was being prepared, the data on enterprise improvements are available for 25 SMEs that have completed the training.

¹² Data available for 34 enterprises where baseline assessment has been completed.

participating enterprises comply with the legal minimum wage and working hours at the end of SCORE training, while almost all of them compensate for overtime. Furthermore, the enterprises that invested in training of workers regularly increased from 20% to 72%.

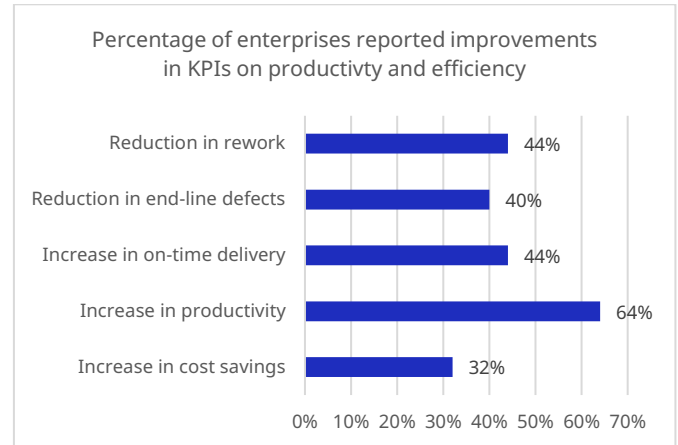


Some enterprises have made strides in improving occupational safety and health (OSH) including through establishing OSH policy and OSH committee. Furthermore, the percentage of enterprises that tracked accidents rose from 24% to 64% and those that introduced personal protective equipment (PPE) after SCORE training increased from 40% to 68%.

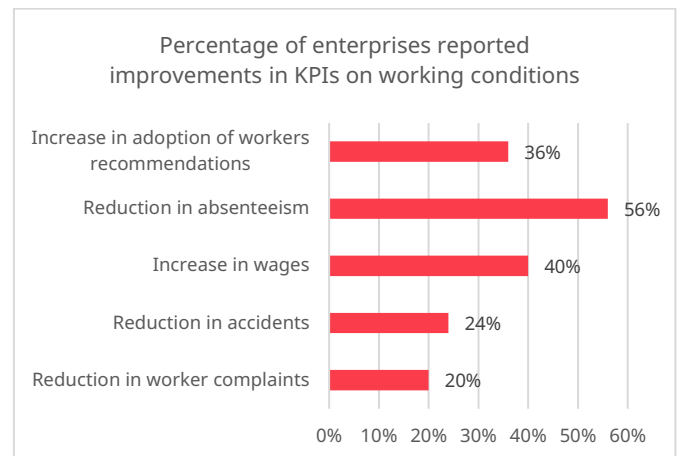


In terms of improvements of Key Performance Indicators (KPIs), 64% of the participating enterprises reported increase in productivity and over 32% indicated cost savings. Furthermore, more than 40% of them indicated reduction in rework, increase in on-time delivery and

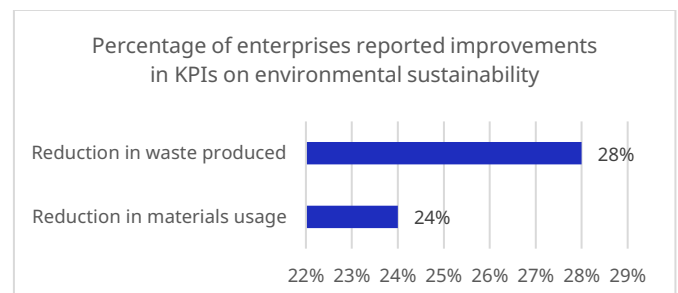
reduction in defects. These findings point to the effectiveness of SCORE in addressing the key challenges highlighted by the survey respondents above, namely quality management issues and inefficient production.



Apart from direct benefits to businesses, there is also concrete improvements in working conditions. In particular, 56% of enterprises experienced reduction in absenteeism and 40% of them increased wages.



Although environmental sustainability was not the main focus of the workplace cooperation module, reduction in waste generation was observed on 28% of the participating enterprises, while 24% of them have successfully reduced material consumption.



3. Examples of good practices

As demonstrated in the section above, participating enterprises have achieved tangible results in terms of productivity, operational efficiency and working conditions. Additionally, they have also made strides in enhancing environmental sustainability and gender equality. The examples below illustrate how enterprises have taken actions to reduce waste, increase resource efficiency and circularity, as well as create more inclusive workplaces.

Example 1 – Enhancing sustainability and safety for more profitable and efficient production

A sock manufacturing company leveraged the SCORE Programme to enhance efficiency in its knitting department. Their efforts to enhance environmental sustainability by reducing material waste and promoting circularity in production are highlighted below:

- increased production volumes by 20% and significantly reduced downtime by optimizing yarn usage and machine allocations
- repurposed redundant and slow-moving yarn into a new line of workman's socks, transforming waste into a revenue-generating opportunity worth 2% of the company's turnover
- cleared out nonproductive stock through better space utilization, freeing up over 80 square meters for more efficient factory operations

► After cleaning the yarn storage area, unused yarn is being sorted for re-use, repurpose and recycling



Before (left); after (right)

To improve occupational health and safety, the company optimized machine placement and storage, clearing out cluttered areas that previously posed tripping hazards and overheating risks.

Example 2 – Improving waste management for safer and more efficient workplace

SCORE enabled us to create a safer, more ergonomic waste bag, allowing single operator handling. This eliminates the risk of tripping, reduces physical strain, saves resources, and improves efficiency.

► Worker at a wholesale distribution enterprise

A medium-sized wholesale distribution enterprise implemented a workplace safety initiative to improve waste disposal and reduce physical strain on workers. Before the intervention, machine operators struggled with oversized plastic waste bags, which were difficult to handle and created tripping hazards. Following SCORE Training, reusable fabric waste bags were introduced, which could be attached to sewing machines, enabling easier waste handling and eliminating tripping hazards and risks of workplace injuries. This intervention not only improved ergonomics and housekeeping but also promoted environmental sustainability by reducing plastic waste..

► Oversized plastic bags for collecting off-cuts replaced by recyclable and ergonomically friendly waste bag



Before (left); after (right)

Furthermore, the implementation of 5S principles led to a more structured and accessible storage system, reducing unnecessary movement and waste. Notably, the factory reclaiming 48 square meters of space, valued at R7,200 per month through actions such as:

- centralizing trims storage eliminated inefficiencies and increased production speed

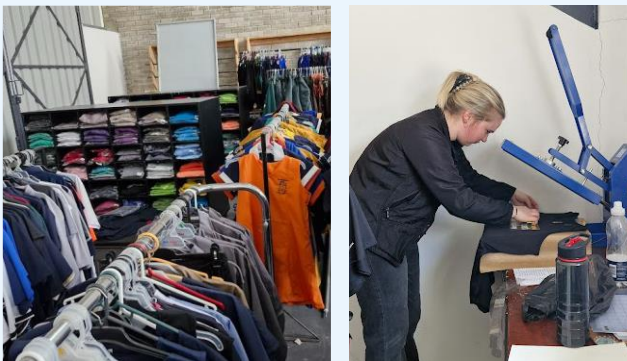
- repurposing space enabled safer and more ergonomic work conditions

Example 3 – Empowering female workers through improved compliance and training

A small-sized enterprise producing school uniforms implemented a range of projects aimed at improving compliance with legal requirements of the Department of Labour, thereby enhancing workers' safety and morale. Some of the projects include:

- implementing a grievance procedure to address workplace concerns
- conducting awareness training on the Basic Conditions of Employment and Occupational Health and Safety Act
- introducing workbooks to record employee production
- developing a skills matrix through a participatory process which enables management to give employees performance feedback and to jointly discuss development plans

The improved workplace dynamics resulted in zero reported injuries, a significant increase in on-time deliveries (OTIF reached 81%). The implementation of daily production meetings also gave employees a platform to voice concerns, fostering a more inclusive and cooperative environment.



Neatly organised finished goods area (left); Manager assisting with urgent request from client (right)

Example 4 – Reducing stock waste and enhancing operational efficiency

A manufacturer of protective workwear identified cluttered and disorganized storage areas as major safety risks, and focused on reducing aged stock and improving warehouse efficiency through the SCORE programme. The key improvement projects and their results are as follows:

- By implementing structured inventory management and optimizing stock storage, the company reduced stock holding by approximately R500,000, improving cash flow
- The time required for stock-taking was significantly reduced from five days to just half a day
- Workplace reorganisation not only eliminated tripping hazards but also freed up 20 square meters, which was repurposed into a recreational area for employees, enhancing workplace well-being

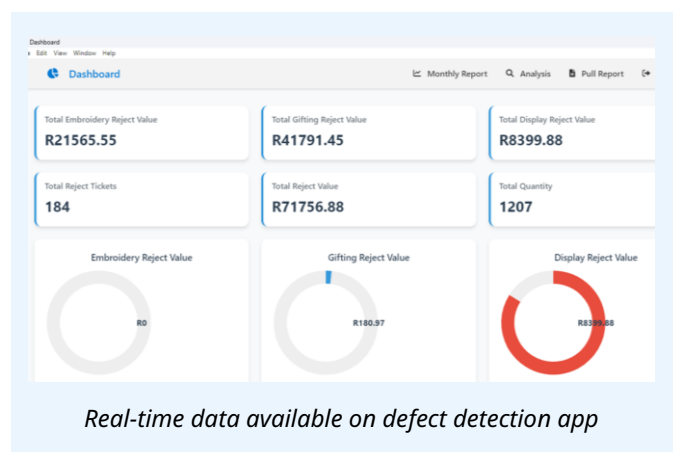
The achievements above demonstrate how better stock management can lead to financial, environmental and social benefits.

Example 5 – Digitalizing business processes to improve product quality and reduce defects

With a workforce of over 570 employees, a manufacturer of specialty garments and corporate wear sought to address critical challenges of poor product quality, inefficiencies in production flow, and limited employee engagement. Prior to SCORE Training, they Barron faced a number of operational issues, including high defect rates, inconsistent application of standard operating procedures (SOPs), limited tracking and sharing of KPIs and insufficient employee feedback and engagement.

To improve the overall management and product quality, an employee from the quality department has taken the initiative to develop and introduce two mobile applications to streamline and optimize operations:

- A defect detection app to monitor quality and conformity by capturing product defects
- A daily app for managers to update production data



By providing real-time data regarding quality and production, the apps contribute to significant quality improvement with teams now able to act swiftly on

defected detected. As a result, internal rejection rate declined from 0.64% to 0.41% and customer return rate reduced from 0.53% to 0.13%.

The integration of simple but effective digital tools has not only improved operational efficiency and management processes but also empowered employees, strengthened workplace cooperation, and laid a solid foundation for future innovation and growth.

Lessons learned and way forward

1. Implementation of the R-CTFL Master Plan can be strengthened with more inclusive representation and capacity building

- BSOs (including NBCCMI) play a crucial role in supporting SMEs but require capacity-building and funding to expand their impact
- Government incentives are needed to support local procurement, technology adoption and sustainability initiatives in the industry

2. Industry-wide collaboration is essential for sustainable impact

- Strengthening partnerships between industry stakeholders, training institutions and policymakers is critical to ensure long-term success
- Enhance collaboration between tertiary institutions, vocational training centres, and the industry can facilitate knowledge transfer and development of labour market relevant training programmes

3. Environmental sustainability measures contribute to cost savings and improved OSH

- Enterprises that adopted 5S workplace organization, waste reduction, and circularity strategies achieved cost savings, improved operational efficiency and reduced risks of accidents at the workplace
- More awareness and incentives are needed to scale up sustainable production practices in the industry

- Leveraging industry clusters, industry-wide sustainability initiatives can be promoted to encourage the adoption of resource-efficient production methods and circular economy practices

4. Digital adoption represents an untapped opportunity to promote industry transformation

- Considering the limited use of digital technology by SMEs in the industry, more incentives are needed to help SMEs adopt technology-driven solutions, particularly for improving productivity, quality control and market access

5. SCORE Training can serve as an effective tool to address productivity bottlenecks and seize new opportunities

- Considering the positive results achieved the project and high satisfaction rate among participating SMEs, SCORE Training should be expanded to more enterprises to maximise its impact across the sector
- Following the Workplace Cooperation module, additional SCORE modules should be implemented based on the specific needs of each enterprise. In particular, the Quality Improvement and SCORE4Climate modules would be especially relevant to some of the key concerns highlighted above including inefficient production processes, quality management challenges and a lack of resource efficient and cleaner production techniques.

By fostering collaboration, environmental sustainability and digital innovation, the South African clothing manufacturing industry can become more competitive, inclusive and resilient, thereby creating decent work opportunities and sustainable economic growth.

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