

## **THE SOCIAL PLAN HAS THREE PHASES IN DEALING WITH EMPLOYMENT DECLINE**

**Is your company struggling?**

**Are you contemplating job losses?**

**Are you concerned about the threat of closure of a local organisation or company?**

The Social Plan programme is an initiative of the Jobs Summit, aimed at reducing retrenchments and creating new jobs:

1. It applies when large-scale retrenchments look likely (50 people or 10% of the organisation's labour force) because retrenchment on this scale can affect the sector, regional or national interests
2. It aims to prevent job losses and a decline in employment by promoting negotiations on security of employment
3. It aims to lessen the social and economic impact on individuals, regions and the national economy.

A social plan approach is vital when there is a reasonable possibility of developing alternatives that could save jobs.

### **What does it cost?**

This support initiative is partially funded by the state, which pays 65% of the consulting costs. The company pays the balance. Companies that cannot afford to contribute 35% should submit a special application for a 100% funded intervention.

#### **1. PREVENTING JOB LOSSES**

Through the National Productivity Institute's social plan technical support facility, we can prevent job losses by:

- Establishing Future Forums to identify problems, working collaboratively with labour and management on the future of the company
- Saving the jobs of workers facing retrenchment by providing technical assistance and support
  - ✓ Developing strategies that would turn the company around
  - ✓ Improving the company's performance through better marketing, operations and financial strategies
- Assisting companies to assess their performance and detect early signs of decline.

#### **2. MANAGING RETRENCHMENT:**

Following notification by the company, the Department of Labour will:

- Provide counseling to affected workers
- Present life skills techniques in compiling a resumé, interview behavior, etc
- Provide information on accessing opportunities for employment, small, medium and micro enterprises and provincial projects
- Provide contact details for organisations of learning or financing small business
- Assist with skills development

#### **3. JOB CREATION**

The Department of Provincial and Local Government will help by:

- Developing regional and local economies

- Regenerating local economies affected by large-scale retrenchment
- Local municipalities assist companies to identify opportunities for creating alternative employment