

What is The Productivity Council?

The Productivity Council is a TRIPARTITE COUNCIL comprising representatives from employees' and employers' organisations, and the Government of Barbados (the Social Partners).

The Council (formerly Board) was established by an Act of Parliament on August 31, 1993 to further the objectives of the Protocol for the Implementation of a Prices and Incomes Policy which was signed by Government, and employers' and workers' representatives.

Objectives of The Productivity Council

The objectives of The Productivity Council are to:

- (a) create and develop methodologies for productivity measurement, management and improvement in the public service and private sector;
- (b) provide technical advice and assistance for devising productivity-related payment schemes;
- (c) engage in consultations with any fact-finding body or arbitration tribunal on any matter relating to the functions of the Council;
- (d) promote and monitor all aspects of productivity growth;
- (e) assist in the development of improved methods of work organisation geared to the enhancement of productivity levels;
- (f) design, advise on, and conduct educational programmes on productivity;
- (g) disseminate information to stimulate public awareness and promote understanding of the need to improve the quality of work performance nationally and in the context of international trends and standards;
- (h) assist in creating a climate which would maximise the use of productivity gains in collective bargaining exercises; and
- (i) do such further things as are necessary to carry out effectively the purposes of the Act.

Approaches to Achieving Objectives

- Educational and Promotional Programmes.
- Public Sector Productivity Measurement Programme.
- Technical advice and assistance to the Private Sector.
- Marketing of Services.
- Development of our human resources.

Our Vision

To be the premier agency in Barbados and the Caribbean, renowned for promoting and facilitating productivity, quality management and competitiveness strategies.

Our Mission

To enhance the competitiveness of Barbadian and Caribbean enterprises through the application and dissemination of knowledge of productivity methods.

THE PRODUCTIVITY COUNCIL

Annual Report
2013 - 2014

Published by:

The Productivity Council
3rd Floor Baobab Tower
Warrens
St Michael
BARBADOS

Cover:

Logo of The Productivity Council

Letter of Transmittal

The Productivity Council
3rd Floor Baobab Tower
Warrens
St Michael

31 December 2014

The Honourable Christopher Sinckler, M.P.
Minister of Finance & Economic Affairs
Ministry of Finance & Economic Affairs
Government Headquarters
Bay Street
St Michael

Dear Minister Sinckler

In pursuance of Section 16 of The Productivity Council Act, 1996-19, I have the honour to submit the Annual Report for the period 1 April 2013 to 31 March 2014.



Akhntoolove Corbin, PhD
Chairman

FOREWORD

The Productivity Council celebrated its 20th anniversary during this period and reflected on its growth, development and accomplishments over the years. There was much pride in the progress to date but also recognition that there was much to be done, particularly to play our part in improving the economic position of Barbados through improved productivity and competitiveness.

This period also saw the passing of the Chairman, Mr Anthony Johnson who had a long association with the Council, having served at its inception as the Deputy Chairman and for three years prior to his passing as Chairman. An award for distinguished service was presented to his family at the 20th anniversary dinner and awards ceremony.

In executing its mandate the Council continued to engage in several strategic activities. In addition to designing performance-based incentive schemes and productivity improvement schemes for the private sector, the productivity sensitisation and education thrust was given a significant boost through two initiatives: the Getting Everyone to Understand Productivity (GET-UP) and Productivity Best Practices Workshop series. These targeted employees at all levels in both the public and private sectors, and over 5,000 persons were impacted.

The capacity of some small businesses and a segment of the agriculture industry (the livestock sector) were enhanced due to two research pilot projects which looked at E-commerce as a tool to improve productivity in these sectors. The Council made significant inroads into expanding the training of senior public sector officers in the area of performance-based budgeting and providing assistance to ministries/departments in the development of performance-based budgets for improved efficiency and accountability.

The annual National Survey of Productivity was conducted across six (6) sectors and results showed that in 2012 national labour productivity increased by 1.8% as compared to 2.2% in 2011. This is the lowest increase since 2008 when it was also 1.8%. The highest increase since 2002 was 3.7% recorded in 2010. Absenteeism ranged from 8.1% in the accommodation sector to 13.2% in the financial services sector.

The Council continues to be concerned about the declining increase in productivity especially given the prevailing economic climate, and is expanding the data collection tool to capture information on the causes in the survey catchment groups which would allow us to develop appropriate strategies and initiatives to provide assistance.

The Council intends to place even greater emphasis on the human resources factor and on assisting stakeholders with the effective implementation of productivity-related schemes. We acknowledge that it is competent, committed and motivated 'People' who will make productivity enhancement systems work for the betterment of all Barbadians.

I wish to recognise and congratulate the various members of the Board of Directors, management and staff of the Council for their quality contribution over the past two decades, and challenge us all to work together synergistically to make Barbados a prosperous place for our people through our productivity-related initiatives and programmes.



Akhntoolove Corbin, PhD
Chairman

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Productivity Team

Board of Directors

The Productivity Council comprised a Board of nine (9) Directors.

Chairman

Dr Akhentoolove Corbin (Lecturer, University of the West Indies)

Deputy Chairman

Mr Adrian Carter (Market Analyst, Barbados Light & Power Co Ltd)

Barbados Private Sector Association

Ms Diana Douglas (Human Resources Director, Williams Industries Ltd)

Mr Jeremy Nurse (Regional Business Development Analyst, Neal & Massy Integrated Retail Business Unit)

Congress of Trade Unions and Staff Associations of Barbados Representatives

Senator Sir Roy Trotman (General Secretary, Barbados Workers' Union)

Mr Dennis Clarke (General Secretary, National Union of Public Workers)

Public Sector Representatives

Dr Louis Woodroffe (Permanent Secretary, Economic Affairs Division)

Mr Alyson Forte (Permanent Secretary, Ministry of the Civil Service)

The Productivity Council

Mr John Pilgrim (Executive Director)

Secretariat

The following staff complement was responsible for the execution of the Council's Work Programme and attendant support services

John Pilgrim, Executive Director

Research Unit

Anthony Sobers, Chief Economist

Olivia Smith, Senior Economist

Nadia Skeete, Economist

Technical Assistance Unit

Marion Haynes-Barker, Senior Productivity Officer

Jannell Arthur, Productivity Officer

Training Unit

Shawn Callender, Senior Training Officer

Karen Collins, Training Officer

Administration Unit

Yvonne McClean, Manager Administration

Paula Straker, Accounting Officer

Jenefer Carrington, Senior Clerk

Ingrid Weekes, Executive Secretary

Roseann Morris, Stenographer/Typist

Tara Parris, Receptionist/Typist

Anthony Harewood, Driver/Messenger

Marcel Thorpe, Maid

Remembering



Staff Awards

20-Year Recipients



Mr John Pilgrim
Executive Director



Mrs Ingrid Weekes
Executive Secretary



Ms Marcel Thorpe
Office Attendant

15-Year Recipients



Mrs Jenefer Carrington
Senior Clerk



Mrs Marion Haynes-Barker
Head, Technical Assistance Unit



Mr Anthony Sobers
Chief Programme Manager



Ms Yvonne McClean
Manager Administration

10-Year Recipient



Mrs Roseann Morris
Stenographer/Typist

5-Year Recipients



Ms Nadia Skeete
Economist



Mr Shawn Callender
Manager, Training & Development



Mr Anthony Harewood
Driver/Messenger



Mrs Olivia Chase-Smith
Senior Economist

Appreciation Awards

These organisations were recognised for being not only trusted and valued clients, but key strategic partners of The Council.



IGM Stage Lighting Inc



Cave Shepherd Card Services



Barbados Workers Union



Harris Paints Ltd



Barbados Hotel and Tourism Association



Barbados Postal Service



National Assistance Board

Appreciation Awards

These organisations were recognised for their continued participation, from inception, in the Council's annual Macro-Productivity Indicators' Project.



Trimart Inc



Republic Bank Ltd



Super Centre Ltd



SDRR Hydraulics & Industrial Spares Inc



Ready Mix & Ready Block Ltd



Caribbean Cigar Company Ltd



Attendees enjoying a toast



The Ready Panners provided entertainment well-appreciated by the audience.



Mr Wayne Johnson (son of the late Anthony Johnson) accepting posthumous award from the then acting Chairman, Mr Adrian Carter.

BACKGROUND

The Productivity Council was established as a component of the first Prices and Incomes Protocol which evolved out of the structural adjustment programme of the early 1990s. It is a tripartite statutory body, whose Board of Directors includes representatives of the Congress of Trade Unions and Staff Associations of Barbados, the Barbados Private Sector Association and the Government of Barbados.

The Council's mission is to enhance the competitiveness of Barbadian and Caribbean enterprises through the application and dissemination of knowledge of productivity methods.

OBJECTIVES OF THE COUNCIL

The objectives of the Council are as follows:-

1. TO CREATE AND DEVELOP METHODOLOGIES FOR MEASURING PRODUCTIVITY IN THE PUBLIC AND PRIVATE SECTORS.

PRODUCTIVITY MEASUREMENT PROGRAMME

The Council is involved in implementing a productivity measurement programme in the public and private sectors. The public sector programme focuses on ministries and their departments.

This process involves the establishment of strategic outputs using the Work Measurement Approach and quantifying the institutional resources used.

Two (2) important components of this approach are work-unit analysis to determine output, and techniques for deriving the average standard time for 'pricing' outputs of each public sector agency.

ACHIEVEMENTS

- Seven (7) workshops were facilitated on Performance-Based Budgeting.
- Nine (9) estimates' meetings were attended.
- A workshop on Key Performance Indicators (KPIs) was conducted for Public Sector Managers.
- Two (2) workshops and a one-week retreat on Strategic Planning were facilitated for managers of the Psychiatric Hospital.
- A Process Map assessment of Incentive Schemes was completed for the Ministry of Agriculture.
- One (1) workshop on department KPIs was facilitated for Urban Development Commission.
- The final report on Process Mapping, Global Value Chain Analysis and Recommendations to Improve the Unemployment Re-Training Fund was submitted to the Ministry of Labour.

2. TO PROVIDE TECHNICAL ADVICE AND ASSISTANCE TOWARDS DEVISING PRODUCTIVITY-RELATED PAYMENT SCHEMES.

Several strategic activities have been embarked upon to promote interest in, and the adoption of productivity-related payment schemes. These include:

- General seminars and workshops (include specific fora with persons from different companies)
- TV/Radio programmes and articles in the print media
- In-house presentations at the company and sectoral levels.

ACHIEVEMENTS

- Performance-Based Incentive Plans were developed for Rentokil Initial and Grantley Adams International Airport (GAIA) Inc. The Plan was also presented to management of GAIA Inc.
- A Performance-Based Incentive Plan was initiated for Servall Inc.

3. TO BE AVAILABLE FOR CONSULTATION IN ANY MATTER WITHIN ITS JURISDICTION WHICH MAY BE BROUGHT BEFORE IT BY ANY FACT-FINDING OR ARBITRATION BODY.

From time to time, the Unions have sought to establish separate productivity-related pay agreements in the collective bargaining process. On the several occasions where issues relating to the design and development of these schemes arose, the Council's technical expertise has been sought in formulating "home-grown" plans driven by the identification of measures relevant to the nature and needs of the organisation.

The Council continues to work with labour-management sub-committees at the company level, towards ensuring that appropriate technical aspects of the productivity schemes are properly worked out in the interest of both parties.

4. TO ASSIST IN THE DEVELOPMENT OF IMPROVED METHODS OF WORK ORGANISATION GEARED TO ENHANCE PRODUCTIVITY LEVELS.

The introduction of performance-related payment schemes has generated a high degree of interest in the measurement of performance at the individual level. This emerges where discussions centre around the issues of equity and fairness regarding the distribution of gains accruing from productivity enhancement programmes. In order to address the dilemma of apparent inequity in sharing gains, performance management systems have become necessary tools for implementation.

5. TO PROMOTE AND MONITOR ALL ASPECTS OF PRODUCTIVITY GROWTH

(i) MACRO-PRODUCTIVITY INDICATORS PROJECTS

National Productivity Indicators

Productivity is about understanding the optimal functioning/competitiveness of an organisation. It is how money, materials and working effort are converted to products and services that have to be provided or sold on a competitive market. It is a measure of efficiency, “doing things right” and also effectiveness, “doing the right things.”

From 2003–2005, the Research and Business Development Unit of The Productivity Council co-sponsored the National Survey of Productivity, a major component of the Macro-Productivity Indicators Project. From 2006, the project became the sole responsibility of The Council. It estimates national labour productivity as well as productivity indicators for a number of sectors of the economy. In 2003, the survey collected data from a sample of the primary traded sectors – accommodation and manufacturing, which was subsequently analysed to calculate productivity indices, as well as a rate for absenteeism. The following year (2004), the scope of the project broadened to include two (2) new non-traded sectors – financial services and wholesale and retail trade. Four years later, in 2008, construction was added and finally this year (2013), transportation, storage and communication was included in the analysis. These six sectors currently constitute the industries of note under review in the Macro-Productivity Indicators Project.

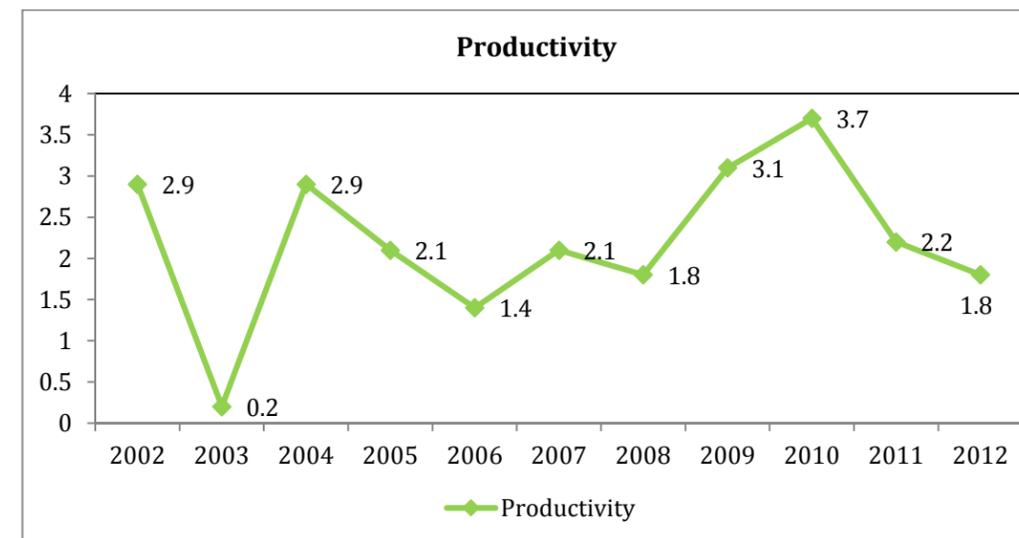
The annual National Survey of Productivity was launched by The Productivity Council at the end of April 2013; this initiated the first phase of the Macro-Productivity Indicators Project. This sector report is one of seven reports produced under the said project – one for each of the six sectors reviewed – along with an overall report. All sector reports include details of data selection, methodology and sector specific results and overall national productivity growth.

The change in national productivity is computed using the index for real Gross Domestic Product and hours worked. The changes in the productivity ratio are then calculated and the results are displayed in Figure 2; which shows that in 2012, national labour productivity increased by 1.8 percent, in comparison to the expansion of 2.2 percent in 2011.

National Productivity Growth

Non-government productivity expanded for the second straight year by approximately 1.8 percent, after an estimated 2.2% in 2011.

Figure: 1 Macro-Productivity Growth (%) 2002 – 2012



Computed from: Hours Worked for the Labour Force Survey and Real GDP
Sources: Barbados Statistical Service and Central Bank of Barbados

Sectoral Productivity Indices

Productivity

The National Survey of Productivity has been conducted by The Productivity Council, every year since 2003. In 2013, labour productivity was estimated for six (6) sectors of the economy: accommodation, construction, financial services, manufacturing, transportation, storage and communication and wholesale and retail trade. The results indicated that three sectors: accommodation, construction and wholesale and retail trade recorded negative growth rates. The first two contracted by 2.2 percent, while the third by 1.2 percent. The leader in labour productivity for 2012 was transportation, storage and communication, 6.2 percent, followed by manufacturing and financial services, 4.3 percent and 2.3 percent, respectively.

Absenteeism

The lowest absenteeism rate recorded for 2012 was for the second consecutive year in the accommodation industry 8.1 percent. With regards to the six (6) industries under review, apartments – 4.4 percent had the lowest overall average absenteeism rate. This was followed by guest houses (4.9 percent), clothing and textiles – clothing (6.9 percent) and food, beverage and tobacco – fish processors (7.4 percent).

The highest absenteeism rate for the industries was in the financial services sector – 13.2 percent. However, significant absenteeism rates were registered for mining and quarrying (16.3

percent), credit unions and finance and trust sub-groupings (both 14.2 percent), retail – other (13.8 percent), retail – hardware supplies (13.7 percent), offshore banks (13.6 percent) and commercial banks (13.5 percent).

Table 1: Absenteeism Rate for Firms Responding to Survey

Industry	2007	2008	2009	2010	2011
Accommodation	4.9	5.7	3.5	11.1 (R)	14.2
Construction	n/a	1.3	5.5	9.2 (R)	13.3
Financial Services	1.2	1.6	7.2	13.2 (R)	18.2
Manufacturing	3.0	3.4	8.2	14.9 (R)	16.2
Wholesale & Retail Trade	3.2	3.7	8.5	19.4 (R)	15.2

Source: 2008 – 2012 National Surveys of Productivity

Productivity Statistics by Selected Sectors

Accommodation Establishments

From the 2013 National Survey of Productivity, labour productivity fell off by 2.2 percent, despite the only contraction being registered in the hotel sub-grouping of 4.0 percent. This reduction clearly outweighed the expansions recorded in the apartment hotel sub-sector of 7.5 percent, apartments and guest houses sub-groupings of 10.2 percent and 11.5 percent, respectively. This was one of three industries which actually registered negative productivity growth for 2012.

Output per employee showed an expansion of 3.5 percent. The hotels group exhibited a fall-off of 1.7 percent, as did the guest houses sub-sector (9.7 percent). The other two sub-groupings registered increases, apartments (15.8 percent) and apartment hotels (9.1 percent).

Unit labour cost was estimated at 31.5 percent for the industry under review. The smallest percentage was calculated for the guest houses group (23.9 percent) followed by the apartment sub-sector (25.6 percent), hotels (31.5 percent) and apartment hotels (34.2 percent).

Construction Companies

Labour productivity in the construction sector continues to contract for the third consecutive year. In 2010, it declined by 28.7 percent, 2011 it fell off by 3.0 percent and finally in 2012 by 2.2 percent. For 2012, this was one of two sectors that experienced decreases in labour productivity.

Output per employee registered 23.4 percent in the year under review.

Unit labour cost for the construction industry – after declining steadily for three years – expanded slightly moving from 27.6 percent in 2011 to 28.0 percent in 2012.

Financial Services Institutions

Labour productivity growth in the financial services sector expanded by 2.3 percent in 2012, as four of the five sub-sectors experienced positive growth. The highest estimated increase was

recorded in the insurance sub-sector (8.4 percent), closely followed by the commercial banks sub-grouping of 8.3 percent. The only sub-sector with estimated negative growth was - finance and trust (8.1 percent).

Output per employee followed the same trend, with one sub-sector – finance and trust – recording a contraction (22.5 percent). The highest rate of change for the sub-sectors for this indicator was 11.5 percent, then 8.1 percent in the credit unions and commercial banks sub-groupings, respectively. For the overall financial services industry, output per employee was estimated at 2.8 percent.

Unit labour cost for the industry under review was estimated at 24.7 percent. The lowest unit labour cost was derived for the offshore banks sub-sector (11.7 percent), while the highest was in the credit unions sub-grouping (31.1 percent).

Manufacturing Establishments

Labour productivity among the manufacturing firms surveyed rose by 4.3 percent in 2012, after a slight expansion of approximately 0.4 percent in 2011. Significant reductions were registered for non-metallic mineral products – paints and finishes (23.5 percent) and furniture (19.3 percent). Conversely, large expansions were recorded for printing and publishing – signage (34.8 percent), mining and quarrying (20.1 percent), food, beverage and tobacco – bakery (13.8 percent), food, beverage and tobacco – beverage (12.5 percent) and printing & publishing (12.4 percent).

Output per employee in 2012, according to the companies participating in the 2013 National Survey of Productivity expanded by 3.8 percent; this was fuelled by a number of double-digit increases throughout the sector: printing and publishing – signage (34.9 percent), food, beverage and tobacco – beverage (13.4 percent) and food, beverage and tobacco – bakery (11.0 percent). These outweighed large contractions of 21.7 percent and 18.8 percent recorded in the non-metallic mineral products – paints and finishes, furniture and mining and quarrying, respectively.

Although overall unit labour cost was estimated at a mere 18.5 percent, a number of sub-sectors throughout this industry registered extremely high rates. Some of these were: food, beverages and tobacco – fish processors (58.6 percent), non-metallic mineral products – paints and finishes (54.7 percent) and clothing & textiles – textiles (53.5 percent). On the other hand, there were also some low unit labour costs: other (8.1 percent), food, beverages and tobacco – beverage (19.9 percent), food, beverage and tobacco – bakery (25.1 percent) and mining and quarrying (27.8 percent). This industry recorded the lowest estimated unit labour cost for the six sectors under review.

Transportation, Storage and Communication

The newest sector to the exercise registered the highest labour productivity growth for 2012 – 16.0 percent. Two sub-sectors recorded contractions for the year under review: communication (IT) (6.5 percent) and communication (consultant) (0.7 percent). These were overshadowed by the transportation sub-grouping’s expansion of 12.9 percent.

Output per employee rose by 4.2 percent, as two of three sub-sectors exhibited expansions: transportation (17.0 percent) and communication (consultant) (0.8 percent). The only decrease for this indicator for this sector was in the communication (IT), 15.0 percent.

Unit labour cost for this industry was also one of the highest overall for the industries and was estimated at 32.6 percent. The highest for the three sub-sectors was 58.0 percent in the communication (consultant); while the lowest was in the communication (IT) – 24.5 percent. This sector, despite recording the highest labour productivity growth, registered the highest unit labour cost ratio of all six industries under review in 2012.

Wholesale and Retail Trade

There was negative productivity growth estimated in the wholesale and retail trade sector and was calculated at 0.9 percent for 2012. Relatively high rates were recorded for four (4) of the wholesale and retail trade sub-sectors, namely retail – fabric sales (31.7 percent), retail – farms and food production (9.2 percent) and retail – auto supplies (8.7 percent). Contractions were registered for seven sub-sectors within the industry: retail – lumber (20.2 percent), retail – hardware supplies (15.5 percent), retail – health care supplies (13.4 percent), retail – jewellery (12.7 percent), retail – air conditioning (8.4 percent), retail – apparel (6.8 percent) and car dealerships and service stations (4.9 percent).

Output per employee fell off by 3.0 percent in the year under review; however, the overall trends were quite similar to those of labour productivity for the same year. The significant decreases were in the retail – lumber (21.8 percent), retail – air conditioning (15.3 percent), retail – health care supplies (12.4 percent), retail – jewellery (11.6 percent) and retail – hardware supplies (10.5 percent). While large expansions were registered in retail – fabric sales (27.9 percent), retail – farms and food production (9.0 percent), and retail – books and stationery supplies (8.1 percent).

Unit labour cost for this industry was recorded at 25.1 percent. The smallest unit labour cost estimated for the sub-sectors of this sector was in the car dealerships and service stations sub-grouping (13.6 percent), followed by retail – books and stationery supplies (18.5 percent) and retail – supermarkets (22.9 percent). However, significantly large unit labour could be found in the retail – lumber (49.2 percent), retail – health supplies (42.3 percent) and retail – air conditioning (40.5 percent).

(ii) ENTERPRISE PRODUCTIVITY & QUALITY MANAGEMENT SOLUTIONS (EPQMS)

This programme has been developed based on recommendations emanating from the Benchmarking and Best Practices project sponsored by the Inter-American Development Bank. It endeavours to facilitate greater harmonisation between corporate strategy, departmental/team/individual objectives, resource allocation, performance evaluation, improvement and corrective strategies.

The following benefits can accrue to clients' organisations:

- Improved enterprise productivity/performance

- Better service delivery
- Increased regional and international competitiveness

The programme's components include:

- Phase 1: The Strategic Vision
- Phase 2: Analysis – Benchmarking & Best Practices; Productivity Analysis; and Process Analysis and Management
- Phase 3: Design & Implementation – System Modelling (Service Excellence & Performance Measures); and Enterprise Intelligence & Performance Scorecarding
- Phase 4: Achievement – Productivity & Quality; Profitability; and Sustainability.

ACHIEVEMENTS

- Performance Measures were developed for the Barbados Agricultural Management Corporation.
- Assistance was provided to Rayside Concrete Ltd in the development of a Business Plan.
- Implementation of the project on the Performance-Based Incentive Plan for the Barbados Hotel & Tourism Association has progressed.
- One (1) Strategic Planning workshop series was conducted for the Barbados Small Business Association.
- Emanating from BL&P/TPC Performance Management (Balanced Scorecard) Private/Public Sector Initiative, one (1) workshop was conducted for the Queen Elizabeth Hospital.
- A workshop series, which was funded by the TVET Council, was conducted for the Barbados Pig Farmers' Cooperative Society Ltd.
- Assistance was provided to WTO/OECD for the Aid for Trade Report.

6. TO DESIGN, ADVISE ON AND CONDUCT SUITABLE EDUCATIONAL PROGRAMMES.

The key activities under this objective were:

- General Seminars;
- In-House Seminars; and
- The Youth Productivity Awareness Programme.

The Council continually revamps its training programme to create maximum impact, as it seeks to create awareness, increase knowledge, develop skills and shape attitudes to effect improved productivity.

ACHIEVEMENTS

- (a) Under special projects, twenty-five (25) sessions were held for the Barbados Small Business Association and three (3) sessions were conducted for the Barbados Hotel & Tourism Association, both on Customer Service. In addition, one (1) Town Hall meeting was

facilitated for Minister of Labour using the theme, “*Consulting Workers towards Improving Employee Productivity in Barbados*”.

- (b) Twenty (20) training sessions were held for public sector agencies. Those impacted were
- Psychiatric Hospital
 - Immigration Department
 - Barbados Fire Service
 - Hilda Skeene Primary School
 - Department of Energy
 - The Combermere School
 - St Jude’s Primary School
 - Association of Public Primary Schools Principals
 - Barbados Investment & Development Corporation
 - Defence & Security Division
- (c) Thirty-nine (39) Productivity presentations were held for the Trade Unions.
- (d) One (1) two-day General Seminar on POISE was conducted and a presentation on Quality Service Delivery was delivered at Week of Excellence 2014.
- (c) Five (5) in-house seminars were conducted for the following private sector organisations:
- City of Bridgetown Cooperative Credit Union Ltd
 - Lavada’s Laundry
 - Barbados Nurses Association
- (d) Under the Youth Productivity Awareness Programme twelve (12) education sessions were held for the following organisations:
- Barbados Youth Service
 - Community Independence Secretariat
 - Barbados Community College
 - The Alleyne School
 - Barbados Vocational Training Board
 - The St Michael School
 - Thickets Wesleyan Church

During this period, one thousand one hundred and fifty-seven (1,157) persons were impacted by the Council’s interventions.

DEPARTMENT ADOPTION TRAINING THRUST (DATT)

This special project was initiated in January 2012 to enhance and promote productivity in public and statutory organisations primarily. DATT is structured in three (3) phases: advocacy and education; technical assistance; and evaluation.

The advocacy and education component targets junior staff, middle and senior management

with training in productivity best practices and supervisory management. The technical assistance phase focuses on performance incentives and productivity measurement systems. The evaluation phase which is to be conducted after an 18-month period, is geared at evaluating the degree of impact of the programme, and highlighting any areas for improvement.

ACHIEVEMENTS

- (a) Forty-two (42) Productivity Best Practices Workshops were conducted for the following organisations:
- Registration Department
 - Immigration Department
 - Central Purchasing Department
 - National Assistance Board
 - National Conservation Commission
 - Barbados Postal Service
 - Caribbean Broadcasting Corporation
 - Barbados Agriculture, Development and Marketing Corporation
 - Queen Elizabeth Hospital
 - Harris Paints Ltd
- (b) Four (4) sessions on Leadership were conducted for the Barbados Postal Service; one (1) on Time Management for the Institute of Chartered Accountants; and one (1) on Communication and Customer Service for Week of Excellence 2014.

7. TO DISSEMINATE INFORMATION INTENDED TO STIMULATE PUBLIC AWARENESS AND ALSO PROMOTE UNDERSTANDING OF THE NEED TO IMPROVE THE QUALITY OF WORK PERFORMANCE NATIONALLY AND IN THE CONTEXT OF INTERNATIONAL TRENDS AND STANDARDS.

The Council used various fora, such as the print, broadcast and television media to promote the benefits and importance of productivity growth to the development and expansion of the economy. It sought to highlight the role of productivity as the vehicle to enhance competitiveness, organisational sustainability and quality of life (personal and work-related) for all citizens. In addition, the “Productivity in Focus” news magazine was used to further promote the Council’s services and competitive issues, while the “Productivity in Focus” booklet examined both the ‘hard’ and ‘soft’ aspects of performance-related pay and the fundamentals of productivity.

ACHIEVEMENTS

- (a) The 20th Anniversary celebrations planned and executed activities included:
- Fun Walk
 - Dinner and Awards Ceremony at Savannah Hotel
 - Church Service at Western Light Church of the Nazarene
 - Launch of Productivity Handbook for line staff

- Conference – National Summit on Productivity and Competitiveness
- (b) Forty-four (44) productivity-related articles were published in the print media.
- (c) A Special Edition of the News Magazine was published, and a 20th Anniversary Edition has been initiated.
- (d) A promotional video “Mosaic II for the New Millenium” was produced.
- (e) Liaison and administrative work was effected for the Week of Excellence activities.
- (f) A 2014 Services Guide was developed.
- (g) A Booth was set up for participation in Barbados Association of Guidance Counsellors’ Career Showcase.
- (h) General Public Relations were conducted for the following:
 - Barbados Light & Power Co Ltd and The Productivity Council Performance Management (Balanced Scorecard) Initiative for Statutory Organisations
 - Productivity and Innovation Tax Credit
 - General Seminars
 - Performance-Based Incentive Plan Pilot Project for the Barbados Hotel & Tourism Association
 - Department Adoption Training Thrust
 - Macro-Productivity Indicators Project
 - Get-Up
 - New Entrants Productivity Awareness Programme
 - National Senior Games
 - May Day Celebrations
 - Ministry of Labour and The Productivity Council Joint Town Hall Meeting on Productivity
 - Week of Excellence

8. TO ASSIST IN CREATING A CLIMATE WHICH WOULD MAXIMISE THE USE OF PRODUCTIVITY GAINS IN COLLECTIVE BARGAINING EXERCISES.

In respect of this objective, the unions have played a very important role in the productivity improvement programme since they have encouraged companies to utilise the Council’s services in the development of productivity-based pay agreements for employees, within the collective bargaining process.

THE CENTRE FOR POLICY STUDIES

The Centre for Policy Studies is mandated to provide research on the development, impact and assessment of policy measures related to management-labour collaboration, productivity and

competitiveness. It is envisaged that the Centre can provide employers, workers and governmental organisations with additional information with which they can minimise industrial conflict, foster participatory enterprise development, improve conditions for decent work and achieve higher levels of productivity.

ACHIEVEMENTS

- A study on E-Commerce as a Tool to Improve Productivity in the Livestock Sector was completed.
- A study on E-Commerce as a Tool to Improve Productivity in the Small Business Sector was completed.
- The study on Provisional Assessment of the Effectiveness of Performance-Improvement Schemes in the Public Sector progressed. Assessment completed and report being drafted.

REGIONAL TECHNICAL ASSISTANCE

The Council continued to provide technical assistance to regional government agencies and private sector organisations in the areas of training, Performance-Based Incentive Schemes, Performance Appraisal Systems, Productivity Management related educational training and other productivity improvement initiatives.

ACHIEVEMENTS

The Council provided various forms of technical assistance to the public and private sectors in the following territories:

- St Kitts
- St Lucia

NATIONAL PRODUCTIVITY AWARENESS CAMPAIGN

The National Productivity Awareness Campaign (NPAC) aims to sensitise and promote to all Barbadians, the importance of productivity in sustaining business competitiveness, generating foreign exchange and maintaining the national standard of living.

It is a multi-year project which focuses on behavioural change, system application and productivity improvement.

ACHIEVEMENTS

- One (1) education session was held for Grantley Adams International Airport Inc, as well as thirty-two (32) general sessions were held under the “Getting Everyone To Understand Productivity” programme.
- Nine (9) sessions were conducted under the New Entrants Productivity Awareness Programme.
- One (1) article was prepared on Leadership and a Productivity Handbook was officially launched.

Two thousand four hundred and ninety-five (2,495) persons were impacted as a result of their participation in the National Productivity Awareness Campaign.

STAFF TRAINING AND DEVELOPMENT

Staff participated in a number of training and development activities during the period 2013–2014:

OFFICER	ACTIVITY
Executive Director	<ul style="list-style-type: none"> Developing Measures Workshop @ The Performance Institute Leadership and Change Management Course @ The Performance Institute Government Performance Summit @ The Performance Institute Caribbean Studies Association Conference 2013 Jamaica Employers' Federation Conference
Chief Programme Manager	<ul style="list-style-type: none"> Accounting and Finance for the Human Resources Professional (World@Work) 2nd Caribbean Competitiveness Forum (CCfC, UWI St Augustine)
Senior Economist	<ul style="list-style-type: none"> Design and Evaluation of Innovation Policy Workshop (CCfC) 2nd Caribbean Competitiveness Forum (CCfC, UWI St Augustine)
Senior Training Officer	Building Better Work Relationships (American Management Association)
Senior Productivity Officer	<ul style="list-style-type: none"> Developing Measures Workshop @ The Performance Institute MS Excel course @ Advantage Caribbean MS Power Point course @ Advantage Caribbean Seminar on the Impact of Health and Wellness in the Workplace on Factors that Impact Productivity (BEC) Seminar on Human Resource Development and Co-operation for Superintendent Officials from Latin American, Caribbean and Pacific Regions Delegation of Work Assignments Workshop (SPOT Training) by Caribbean Catalyst Inc Government Performance Summit @ The Performance Institute
Productivity Officer	<ul style="list-style-type: none"> Seminar on Public Service Reform and Innovation for Developing Countries Improving Organisational Structural Integrity (BCSI/ CALIDAD)
Training Officer	<ul style="list-style-type: none"> Immersion programme (Spanish) as part of International Management Masters HRMAB Conference
Economist	Statistical Dissemination Data Sharing and Exchange (SDMX) training (DPD)
Senior Clerk	Seminar on the Impact of Health and Wellness in the Workplace on Factors that Impact Productivity (BEC)
Stenographer/Typist	Enrolled at UWI. Financial support provided
Receptionist/Typist	Enrolled at UWI. Financial support provided
Driver/Messenger	Tiling and Design (SJPP)



GETTING EVERYONE TO UNDERSTAND PRODUCTIVITY



Private and public sector employees, and the general public were exposed to Productivity Awareness, Service Excellence, Communication, Work Ethics and Teamwork issues.



The Council launched its Productivity Handbook.



Financial Statements 2013 - 2014



21
2.68
547.20
672.08

31142.45

+ 3542.55
+ 1352.14
+ 2100

2055
+ 2
+ 18
+ 2
+ 2
+ 54

59.14

**National Productivity Council
Financial Statements
For The Year Ended
March 31, 2014**

**Brian F. Griffith & Co.
Chartered Accountants**

National Productivity Council

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Brian F. Griffith & Co. CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To the Shareholders of the National Productivity Council

We have audited the accompanying financial statements of the National Productivity Council, which comprise the balance sheet as of March 31, 2014, the statement of income and expenditure and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the National Productivity Council as of March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-size Entities.

Brian F Griffith & Co
Chartered Accountants

17 October 2014
Bridgetown, Barbados

**National Productivity Council
Balance sheet
As at March 31, 2014**

	Notes	2014 \$	2013 \$
Assets			
Cash		296,154	432,451
Accounts receivable	3	119,528	136,674
Fixed deposit		180,777	180,777
Inventory	4	91,542	91,542
		<u>688,001</u>	<u>841,444</u>
Plant and equipment (net)	5	46,723	62,121
Total assets		<u>734,724</u>	<u>903,565</u>
Liabilities and general fund			
Current liabilities			
Accounts payable and accrued liabilities		61,840	77,550
General fund			
Balance, beginning of year		826,015	913,130
Deficit for the year		(153,131)	(87,115)
Balance, end of year		<u>672,884</u>	<u>826,015</u>
Total liabilities and shareholders' equity		<u>734,724</u>	<u>903,565</u>

The accompanying notes form part of these financial statements.

Approved by the Board:

DIRECTOR..... DIRECTOR.....

**National Productivity Council
Statement of income and expenditure
For the year ended March 31, 2014**

	2014 \$	2013 \$
Income		
Grants	1,601,500	1,645,353
Special account	124,418	175,699
Other income	2,100	5,150
	<u>1,728,018</u>	<u>1,826,202</u>
Expenditure - Page 7	<u>(1,881,149)</u>	<u>(1,913,317)</u>
Excess of expenditure over income	<u>(153,131)</u>	<u>(87,115)</u>

**National Productivity Council
Statement of cash flows
For the year ended March 31, 2014**

	2014	2013
	\$	\$
Cash flows from operating activities		
Net loss for the period	(153,131)	(87,115)
Depreciation	20,961	29,630
Loss on disposal of assets	0	637
Operating income before working capital changes	(132,170)	(56,848)
Accounts receivable	17,146	63,578
Prepaid expenses	0	13,639
Inventory-library material	0	(320)
Accounts payable	(15,710)	5,895
Net cash from operating activities	(130,734)	25,944
Cash flows from investing activities		
Purchase of plant and equipment	(5,563)	(61,176)
Net cash flows from investing activities	(5,563)	(61,176)
Net decrease in cash for the year	(136,297)	(35,232)
Cash and cash equivalents, beginning of year	613,228	648,460
Cash and cash equivalents, end of period	476,931	613,228
Cash and cash equivalents consist of:		
Cash on hand and at bank	296,154	432,451
Fixed deposit	180,777	180,777
	476,931	613,228

**National Productivity Council
Statement of expenditure
For the year ended March 31, 2014**

	2014	2013
	\$	\$
Expenditure		
Administrative service	3,743	27,055
Annual report	0	16,696
Audit and accounting	13,249	14,740
Bad debts	25,500	0
Caribbean association of productivity professionals	0	1,497
Centre for Policy Studies	24,000	15,700
Cleaning - carpets	0	1,126
Depreciation - Note 6	20,961	29,630
Directors' fees	24,460	28,380
Hospitality expenses	20,596	10,597
Insurance	5,903	5,521
Interest and bank charges	985	1,177
Library expenses	2,484	0
Loss on disposal of assets	0	637
Macro productivity indicators	66,827	340
Membership subscriptions	3,970	4,740
Miscellaneous	158	46,359
Postage	3	2,737
Productivity Awareness Campaign	32,028	17,305
Programme expenses - Note 7	299,727	349,665
Rental of property	0	1,611
Repairs and maintenance	4,765	11,800
Salaries, wages and national insurance	1,052,742	1,105,174
Sponsorship	28,194	21,859
Staff welfare	62,898	25,614
Staff training -overseas	0	3,628
Supplies and materials	54,111	47,952
Balance carried forward	1,747,304	1,791,540

The accompanying notes form part of these financial statements.

**National Productivity Council
Statement of expenditure...cont'd
For the year ended March 31, 2014**

	2014	2013
Expenditure	\$	\$
Balance brought forward	1,747,304	1,791,540
Technical assistance – overseas programme	72,955	60,255
Travel and entertainment	10,876	4,940
Uniforms	778	0
Utilities	31,600	35,064
Vehicle expenses	3,067	3,893
Week of Excellence	14,569	17,625
	1,881,149	1,913,317

**National Productivity Council
Notes to financial statements
March 31 2014**

1. General

The National Productivity Council was established under the National Productivity Council Act 1996-19. The main functions of the Council are:

- i. To create and develop methodologies for productivity measurement, management and improvement in the public service and the private sector.
- ii. To provide technical advice and assistance for devising productivity related payment schedules.

2. Principal accounting policies

These financial statements have been prepared in accordance with approved International Financial Reporting Standards for Small and Medium-size Entities. Significant accounting policies are as follows:

a) Basis of accounting

These financial statements are prepared under the historical cost convention and are expressed in Barbados dollars.

b) Depreciation

Depreciation is calculated to write off the cost of plant and equipment on a straight-line basis over their expected useful lives. The principal annual rates used for this purpose are:

Furniture and fixtures	-	12.5%
Plant and equipment	-	20%
Motor vehicles	-	20%
Computer hardware	-	33.33%
Computer software	-	100%

National Productivity Council
Notes to financial statements
March 31 2014

3. Accounts receivable

	\$
These comprise – staff loans	107,168
- trade receivables	12,360
	<u>119,528</u>

4. Inventory – Library materials

The National Productivity Council is still in the process of acquiring materials for its library. When the desired level of inventory is reached, any subsequent expenditure will be treated on the replacement cost basis and written off in that financial year.

5. Fixed assets

	Furn. & Fixtures \$	Plant & Equip. \$	Motor Vehicles \$	Comp. Hard. \$	Comp. Soft. \$	Total 2014 \$
Cost						
At April 1, 2013	51,295	15,699	42,494	40,424	12,546	162,458
Additions	0	0	0	5,563	0	5,563
Disposals						0
At March 31, 2014	<u>51,295</u>	<u>15,699</u>	<u>42,494</u>	<u>45,987</u>	<u>12,546</u>	<u>168,021</u>
Depreciation						
At April 1, 2013	14,002	8,155	42,494	23,140	12,546	100,337
Disposals	0	0	0	0	0	0
Charge	6,412	3,618	0	10,931	0	20,961
At March 31, 2014	<u>20,414</u>	<u>11,773</u>	<u>42,494</u>	<u>34,071</u>	<u>12,546</u>	<u>121,298</u>
Net Book Value	<u>30,881</u>	<u>3,926</u>	<u>0</u>	<u>11,916</u>	<u>0</u>	<u>46,723</u>

National Productivity Council
Notes to financial statements
For the year ended March 31, 2014

6. Depreciation

	2014 \$	2013 \$
Furniture & fixtures	6,412	6,412
Computer hardware and software	10,931	11,102
Plant & equipment	3,618	3,618
Motor vehicle	0	8,498
	<u>20,961</u>	<u>29,630</u>

7. Programme expenses

	2014	2013
Newsletter	8,741	5,357
Seminars & conferences	12,914	31,666
Short term consultants	47,992	9,640
Public relations	134,257	80,709
Public sector productivity	0	916
Research	15,067	70,542
Seminars	26,831	17,768
Staff training	40,725	90,922
EPQMS	13,200	42,145
	<u>299,727</u>	<u>349,665</u>

THE PRODUCTIVITY COUNCIL

Annual Report
2013 - 2014