



REPORT 2014-2015

ANNUAL REPORT OF THE PRODUCTIVITY COUNCIL ■ APRIL 2014 – MARCH 2015



ANNUAL REPORT OF THE PRODUCTIVITY COUNCIL ■ APRIL 2014 – MARCH 2015
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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 2014 - 2015

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Logo of The Productivity Council

LETTER OF TRANSMITTAL

The Productivity Council
3rd Floor Baobab Tower
Warrens
St Michael

31 December 2015

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 2014 to 31 March 2015.


.....
Akhentoplove Corbin, PhD
Chairman

FOREWORD



Akhentoolove Corbin, PhD - Chairman

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.


Akhentoolove 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:

Mr John Pilgrim, *Executive Director*

Research Unit

Mr Anthony Sobers, *Chief Economist*

Mrs Olivia Chase-Smith, *Senior Economist*

Ms Nadia Skeete, *Economist*

Technical Assistance Unit

Mrs Marion Haynes-Barker, *Senior Productivity Officer*

Ms Jannell Arthur, *Productivity Officer*

Training Unit

Mr Shawn Callender, *Senior Training Officer*

Mrs Karen Collins, *Training Officer*

Administration Unit

Ms Yvonne McClean, *Manager Administration*

Ms Paula Straker, *Accounting Officer*

Mrs Jenefer Carrington, *Senior Clerk*

Mrs Ingrid Weekes, *Executive Secretary*

Mrs Roseann Morris, *Stenographer/Typist*

Ms Tara Parris, *Receptionist/Typist*

Mr Anthony Harewood, *Driver/Messenger*

Ms Marcel Thorpe, *Maid*



2014-15 REPORT

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

- Six (6) two-day workshops were facilitated on Performance-Based Budgeting.
- Four (4) half-day workshops on Performance-Based Budgeting were facilitated for the Ministry of Social Care.
- One (1) Performance-Based Budgeting workshop was completed for Environmental Protection Department.
- A Strategic Plan was completed for the Psychiatric Hospital.
- Employee of the Quarter and Employee of the Year appraisal systems were developed for Urban Development Commission.
- A workshop on Finance for Non-Finance Managers was conducted for Training Administration Division.

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.

ACHIEVEMENT

- A Performance-Based Incentive Plan (PBIP) was completed for and presented to management and staff of Rentokil Initial. The web-based pilot programme regarding the PBIP was completed and tested.

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.

ACHIEVEMENT

- Three (3) half-day educational sessions on "How to Conduct Performance Appraisals" were conducted for Berger Paints (Barbados) Ltd.

5. TO PROMOTE AND MONITOR ALL ASPECTS OF PRODUCTIVITY GROWTH

(I) MACRO-PRODUCTIVITY INDICATORS PROJECT (MPIP)

National Productivity Indicators

From 2003–2005, the Research and Business Development Services 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 12th annual National Survey of Productivity was launched by The Productivity Council at the end of April 2014. Seven (7) sectors of the economy were reviewed that is accommodation, agriculture, construction, financial services, manufacturing, transportation, storage and communication and wholesale and retail trade. The data from the survey was used to estimate four (4) productivity indicators: labour productivity, output per employee, unit labour cost and an absenteeism rate.

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 1; which shows that in 2013, national labour productivity fell by 0.4 percent, in comparison to the expansion of 1.8 percent in 2012.

National Productivity Growth

Non-government productivity contracted after three (3) straight years of positive growth.

Figure: 1 Macro-Productivity Growth (%) 2000 – 2013



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

In 2014, labour productivity was estimated for seven (7) sectors of the economy: accommodation, agriculture, construction, financial services, manufacturing, transportation, storage and communication and wholesale and retail trade. The results indicated that two (2) sectors: accommodation and wholesale and retail trade recorded negative growth rates. The two (2) sectors contracted by 6.7 percent and 2.8 percent, respectively. The leader in labour productivity for 2013 was agriculture, 33.1 percent, not closely followed by the financial services industry 2.3 percent, construction 1.4 percent and transportation, storage and communication 1.3 percent.

Absenteeism

The lowest absenteeism rate recorded for 2013 from the seven industries under review was in the agricultural sector (10.5 percent). With respect to the sub-sectors, the clothing and textiles – textiles (10.6 percent) had the lowest, followed by communication – consultant (12.9 percent), the transportation (14.3 percent), food, beverage and tobacco – bakery (14.4 percent) and hotels (14.5 percent) sub-sectors.

In 2013, the highest absenteeism rate for the sectors was 18.4 percent in the manufacturing industry. However, significant absenteeism rates were recorded for sub-groupings such as courier services (28.8 percent), clothing and textiles – clothing and guest houses (26.2 percent), food, beverage and tobacco – food (21.7 percent) and clothing and textiles – drapery and soft furnishings (20.5 percent).

Table 1: Absenteeism Rate for Firms Responding to Survey

Industry	2009	2010	2011	2012	2013
Accommodation	3.5	11.1 (R)	14.2	8.1	16.4
Agriculture	n/a	n/a	n/a	n/a	10.5
Construction	5.5	9.2 (R)	13.3	8.2	16.1
Financial Services	7.2	13.2 (R)	18.2	13.2	16.5
Manufacturing	8.2	14.9 (R)	16.2	10.9	18.4
Transportation, Storage & Communication	n/a	n/a	n/a	10.1	16.6
Wholesale & Retail Trade	8.5	19.4 (R)	15.2	10.4	16.6

Source: 2010 – 2014 National Surveys of Productivity



PRODUCTIVITY STATISTICS BY SELECTED SECTORS

ACCOMMODATION ESTABLISHMENTS

Labour Productivity

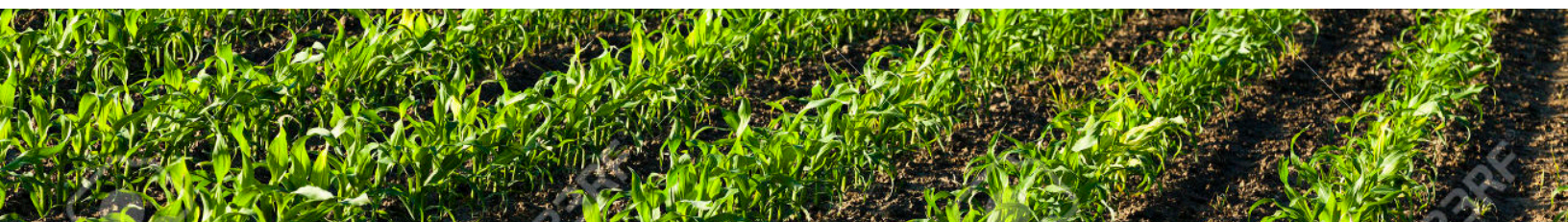
For 2013, the contraction of 6.7 percent in the accommodation sector was fuelled primarily by the apartment (7.6 percent) and apartment hotel (15.3 percent) sub-sectors; while the other sub-groupings of the sector registered expansions: hotel (3.8 percent) and guest house (2.9 percent). (See Figure 4)

Output per Employee

Similar to labour productivity, output per employee also declined in 2013 in the accommodation industry by 4.6 percent. Three (3) of the four (4) sub-sectors under review also registered contractions – apartment hotels (17.1 percent), apartments (9.8 percent) and guest houses (9.2 percent). The remaining sub-grouping – hotels, although recording an increase (2.8 percent), could not outweigh the aforementioned decreases.

Unit Labour Cost

Unit labour cost for this sector was calculated at 32.8 percent. The lowest unit labour cost for the sub-groupings in the sector was 22.9 percent in the guest houses; while the highest was in the apartment hotels – 36.3 percent.



AGRICULTURE ESTABLISHMENTS

Labour Productivity

The “baby” of the Macro-Productivity Indicators Project actually registered the highest average labour productivity for the seven sectors under review. The estimated labour productivity for this industry was 33.1 percent.

Output per Employee

The second indicator, output per employee was calculated at 16.8 percent for the eight (8) firms responding to the 2014 National Survey of Productivity, also the highest for the seven sectors involved in the project.

Unit Labour Cost

Unit Labour Cost for this sector was calculated at 43.8 percent; the second highest for the seven (7) industries examined.



CONSTRUCTION COMPANIES

Labour Productivity

For the companies of the construction industry that responded to the 2014 National Survey of Productivity, average labour productivity was estimated at 1.4 percent.

Output per Employee

Output per employee was calculated at 12.0 percent for the industry in 2013.

Unit Labour Cost

Unit labour cost for this sector was calculated at 39.4 percent for 2013.



FINANCIAL SERVICES INSTITUTIONS

Labour Productivity

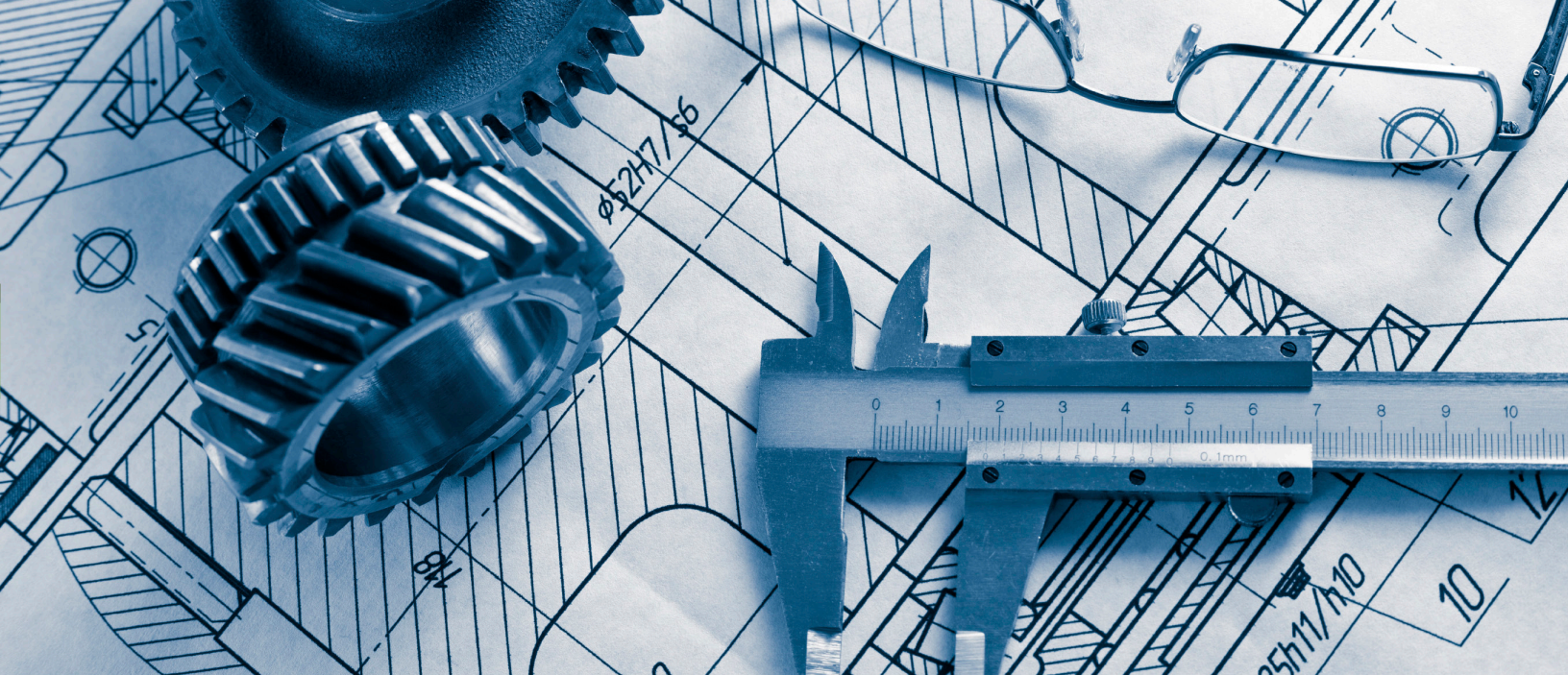
The financial services sector registered an increase in labour productivity of 2.3 percent, on account primarily of the expansions in two (2) sub-sectors – commercial banks (4.8 percent) and insurance (0.3 percent). The other two sub-groupings – credit unions and finance and trust, both decreased by 3.2 percent and 3.8 percent, respectively.

Output per Employee

The second indicator, output per employee contracted by 0.4 percent for the firms responding to the 2014 National Survey of Productivity. As with the labour productivity growth trend, the commercial banks and insurance companies once again recorded increases, 7.5 percent and 1.3 percent, respectively; while, reductions were recorded in the other two (2) sub-sectors – credit unions (3.3 percent) and finance and trust (3.1 percent).

Unit Labour Cost

Unit labour cost for this sector was calculated at 26.0 percent. The highest within the sub-groupings was 32.8 percent for commercial banks; conversely, the lowest unit labour cost was in the insurance companies – 18.0 percent.



MANUFACTURING ESTABLISHMENTS

Labour Productivity

The manufacturing sector had the lowest positive rate of growth for labour productivity for the seven sectors reviewed. This rate was estimated at 0.3 percent, despite significant increases in a number of sub-sectors: clothing and textiles – clothing (40.6 percent), clothing and textiles – textiles (25.0 percent), printing and publishing (10.8 percent) and food, beverage and tobacco – beverages (10.3 percent). On the other hand, these expansions were outweighed by a number of contractions, namely: building materials and finishes (23.2 percent), non-metallic mineral products (12.5 percent), other (5.5 percent) and food, beverages and tobacco – food (5.4 percent).

Output per Employee

Output per employee was also positive, 5.6 percent, but significantly greater than the rate estimated for labour productivity. The highest positive output per employee rates were noted in clothing and textiles – textiles (27.7 percent), rubber and plastics (17.0 percent), food, beverage and tobacco – beverages (12.0 percent) and printing and publishing (11.2 percent). Negative rates were recorded in seven sub-groupings – building materials and finishes (22.5 percent), non-metallic mineral products (13.8 percent), clothing and textiles – clothing (6.9 percent), food, beverage and tobacco – food (5.9 percent), other (5.4 percent), furniture (4.6 percent) and chemicals (1.2 percent).

Unit Labour Cost

Unit labour cost for the manufacturing sector was calculated at 19.2 percent; the lowest for the seven industries examined. However, despite this low rate, large unit labour cost rates were determined for a number of sub-sectors: furniture (72.2 percent), food, beverage and tobacco – food (70.9 percent) and non-metallic mineral products (67.6 percent). Conversely, the other sub-grouping was as low as 8.6 percent.



TRANSPORTATION, STORAGE AND COMMUNICATION COMPANIES

Labour Productivity

This sector registered a positive rate of growth for labour productivity, 1.3 percent, despite significant declines in some sub-sectors: courier services (36.7 percent), rentals (19.2 percent), other (10.0 percent) and transportation (1.2 percent). These expansions were outweighed by increases in two sub-sectors, communication – information technology (3.4 percent) and communication – consultant (1.1 percent).

Output per Employee

Output per employee for this sector was negative and was calculated at 10.3 percent. Four (4) of the sub-sectors recorded reductions in this indicator: courier services (57.0 percent), rentals (17.9 percent), other (17.1 percent) and transportation (1.7 percent). The two positive output per employee rates were determined in communication – consultant (13.9 percent) and communication – information technology (0.8 percent).

Unit Labour Cost

Unit labour cost for the transportation, storage and communication sector was calculated at 53.2 percent; the highest for the seven industries examined. The lowest unit labour cost calculated for the sub-sectors was 25.0 percent in the rentals sub-grouping, while the highest was in communication – information technology (88.6 percent).



WHOLESALE & RETAIL TRADE ESTABLISHMENTS

Labour Productivity

Labour productivity for this industry fell by an estimated 2.8 percent in 2013; despite increases in retail – other (32.4 percent), retail – jewellery (21.4 percent) retail – books and stationery supplies (15.4 percent) and car dealerships (9.3 percent). Contractions were recorded in six sub-sectors: retail – supermarkets (27.5 percent), retail – apparel (15.0 percent), retail – auto supplies (11.0

percent), retail – home furnishings (10.0 percent), retail – hardware supplies (6.6 percent) and service stations (3.1 percent).

Output per Employee

Output per employee, one of the alternate indicators registered an expansion, despite some contractions within the sub-groupings of the sector. These were retail – supermarkets (27.4 percent), retail – apparel (13.9 percent), retail – auto supplies (11.6 percent) and retail – home furnishings (9.2 percent).

Unit Labour Cost

Unit labour cost for this industry was estimated at 31.6 percent for 2013. Service stations recorded the lowest rate for this indicator – 7.3 percent; while retail – hardware supplies was almost ten times as much at 71.2 percent. Also on the high side was retail – services (67.8 percent) and retail – auto supplies (50.3 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

One (1) Strategic Planning workshop was conducted for the Barbados Small Business Association.

A preliminary measure framework was developed for the Barbados Revenue Authority.

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, six (6) sessions were held for the Barbados Small Business Association on Supervisory Management.
- (b) Fifteen (15) productivity-related training sessions were held for public sector agencies. Those impacted were
 - Springer Memorial Secondary School
 - National Council on Substance Abuse
 - The Community Independence Secretariat
 - Defence & Security Division
- (c) Twenty-two (22) Productivity presentations were conducted for the Trade Unions, and one (1) was conducted for Training Administration Division.
- (d) Two (2) General Seminars on POISE and Productivity and Service Excellence Strategies for Business Success were conducted as well as one (1) Train-the-Trainer workshop.
- (e) A presentation for the youth was delivered on Day VI of the Week of Excellence 2015 programme.
- (f) Ten (10) in-house seminars were conducted for the following private sector organisations:
 - Worthing Secured Services
 - Barbados Lumber Company
 - Lloyd Erskine Sandiford Centre
 - Shopsmart Inc
- (g) Under the Youth Productivity Awareness Programme twenty-five (25) education sessions were held for the following organisations:

- Barbados Youth Service
- Community Independence Secretariat
- Barbados Vocational Training Board
- The Alleyne School
- Cornerstone Wesleyan Holiness Church
- Graydon Sealy Secondary School
- Kingdom Empowerment New Testament Church of God
- Darryl Jordan Secondary School
- Barbados Community College
- The Irving Wilson School
- Samuel Jackman Prescod Polytechnic

During this period, one thousand two hundred and fifty (1,250) persons were impacted by the Council's interventions. Of those persons eight hundred (800) were Management, Supervisory and Entry Level staff and four hundred and fifty (450) were Youth.

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) Twenty-eight (28) Productivity Best Practices Workshops were conducted for the following organisations:

- Queen Elizabeth Hospital
- Barbados Nurses' Association
- Natural Petroleum Corporation
- Vector Control Unit
- Republic Bank (Barbados) Ltd
- Shopsmart Inc

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) A 20th Anniversary Edition was published.
- (b) Twenty-one (21) productivity-related articles were published in the print media.
- (c) Liaison and administrative work was effected for the Week of Excellence activities.
- (e) One (1) news magazine was published.
- (d) General Public Relations were conducted for the following activities:
 - General Seminars
 - Department Adoption Training Thrust
 - Get-Up
 - Public Sector Productivity Measurement Programme
 - New Entrants Productivity Awareness Programme
 - Macro-Productivity Indicators Project
 - 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.

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 (GETUP)" 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 2014–2015:

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"> SPSS Training (Dr D Devonish, UWI) Productivity Awareness Week 2014 St Lucia National Competitiveness and Productivity Council
Senior Economist	<ul style="list-style-type: none"> Principles of Management Consultancy Workshop (CMC) Monetary Policy in Small Very Open Economies (CBB)
Senior Training Officer	<ul style="list-style-type: none"> SPSS Training (Dr D Devonish, UWI) Leadership 21 (BHTA/CBTF) Level 3 CVQ Research Methodology and Writing Proposals for Project Work (Dr Devonish) CVQ/NVQ Assessors Level 4 (TVET Council) Knowledge Management Seminar (HRD Strategy Unit)
Senior Productivity Officer	<ul style="list-style-type: none"> SPSS Training (Dr D Devonish, UWI) Productivity Analysis for Accountants (TPC/ICAB) Research Methodology and Writing Proposals for Project Work (Dr Devonish) Productivity Awareness Week 2014 St Lucia National Competitiveness and Productivity Council HRMAB Symposium
Productivity Officer	<ul style="list-style-type: none"> Master's Degree in Public Administration (Harvard)
Training Officer	<ul style="list-style-type: none"> SPSS Training (Dr D Devonish, UWI) Leadership 21 (BHTA/CBTF) Level 3 CVQ Research Methodology and Writing Proposals for Project Work (Dr Devonish)
Economist	<ul style="list-style-type: none"> SPSS Training (Dr D Devonish, UWI) Government Performance Week Monetary Policy in Small Very Open Economies (CBB) Research Methodology and Writing Proposals for Project Work (Dr Devonish)
Associate Consultant	<ul style="list-style-type: none"> Monetary Policy in Small Very Open Economies (CBB)
Manager Administration	<ul style="list-style-type: none"> Leadership 21 (BHTA/CBTF) Level 3 CVQ Research Methodology and Writing Proposals for Project Work (Dr Devonish) CVQ/NVQ Assessors Level 4 (TVET Council)
Accounting Officer	<ul style="list-style-type: none"> SPSS Training (Dr D Devonish, UWI) Productivity Analysis for Accountants (ICAB/TPC) Research Methodology and Writing Proposals for Project Work (Dr Devonish)
Stenographer/Typist	<ul style="list-style-type: none"> Enrolled at UWI. Financial support provided SPSS Training (Dr D Devonish, UWI) Research Methodology and Writing Proposals for Project Work (Dr Devonish)
Receptionist/Typist	<ul style="list-style-type: none"> Enrolled at UWI. Financial support provided SPSS Training (Dr D Devonish, UWI) Desktop Publishing Course (TBD) Research Methodology and Writing Proposals for Project Work (Dr Devonish)

BOARD MEETING ATTENDANCE

Name of Member	Representation	Year 2014 – 2015
Dr Akhentoolove Corbin	Chairman	11 of 11
Adrian Carter	Deputy Chairman	6 of 11
Diana Douglas	Private Sector	10 of 11
Jeremy Nurse	Private Sector	5 of 11
Delcia Burke	Union	11 of 11
Toni Moore	Union	6 of 11
Permanent Secretary (Economic Affairs Division) or nominee	Government	11 of 11
Permanent Secretary (Civil Service) or nominee	Government	10 of 11
John Pilgrim	Executive Director The Productivity Council	11 of 11



FINANCIAL REPORTS

**National Productivity Council
Financial Statements
For The Year Ended
March 31, 2015**

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



National Productivity Council

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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, 2015, 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, 2015, 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


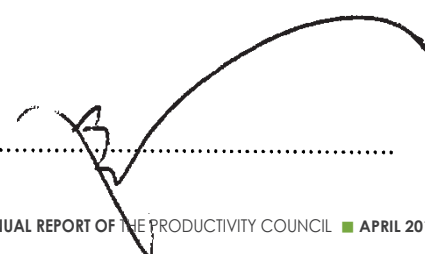
15 July 2015
Bridgetown, Barbados

National Productivity Council
Balance sheet
As at March 31, 2015

	Notes	2015 \$	2014 \$
Assets			
Cash		185,369	296,154
Accounts receivable	3	354,038	119,528
Fixed deposit		180,777	180,777
Inventory	4	91,542	91,542
		<u>811,726</u>	<u>688,001</u>
Plant and equipment (net)	5	<u>27,963</u>	<u>46,723</u>
Total assets		<u>839,689</u>	<u>734,724</u>
Liabilities and general fund			
Current liabilities			
Accounts payable and accrued liabilities		<u>86,352</u>	<u>61,840</u>
General fund			
Balance, beginning of year		672,884	826,015
Surplus for the year		<u>80,453</u>	<u>(153,131)</u>
Balance, end of year		<u>753,337</u>	<u>672,884</u>
Total liabilities and shareholders' equity		<u>839,689</u>	<u>734,724</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, 2015**

	2015 \$	2014 \$
Income		
Grants	1,578,316	1,601,500
Special account	95,581	124,418
Other income	0	2,100
	<hr/> 1,673,897	<hr/> 1,728,018
Expenditure - Page 7	<hr/> (1,593,444)	<hr/> (1,881,149)
Excess of expenditure over income	<hr/> 80,453	<hr/> (153,131)

National Productivity Council
Statement of cash flows
For the year ended March 31, 2015

	2015	2014
	\$	\$
Cash flows from operating activities		
Net loss for the period	80,453	(153,131)
Depreciation	19,185	20,961
Operating income before working capital changes	99,638	(132,170)
Accounts receivable	(234,510)	17,146
Prepaid expenses	0	0
Inventory-library material	0	0
Accounts payable	24,512	(15,710)
Net cash from operating activities	(110,360)	(130,734)
Cash flows from investing activities		
Purchase of plant and equipment	(425)	(5,563)
Net cash flows from investing activities	(425)	(5,563)
Net decrease in cash for the year	(110,785)	(136,297)
Cash and cash equivalents, beginning of year	476,931	613,228
Cash and cash equivalents, end of period	366,146	476,931
Cash and cash equivalents consist of:		
Cash on hand and at bank	185,369	296,154
Fixed deposit	180,777	180,777
	366,146	476,931

The accompanying notes form part of these financial statements.



National Productivity Council
Statement of expenditure
For the year ended March 31, 2015

Expenditure	2015	2014
	\$	\$
Administrative service	5,414	3,743
Annual report	9,675	0
Audit and accounting	7,613	13,249
Bad debts	0	25,500
Centre for Policy Studies	8,850	24,000
Depreciation - Note 6	19,185	20,961
Directors' fees	31,160	24,460
Hospitality expenses	12,269	20,596
Insurance	5,076	5,903
Interest and bank charges	1,206	985
Library expenses	4,811	2,484
Macro productivity indicators	-10,519	66,827
Membership subscriptions	5,503	3,970
Miscellaneous	0	158
Postage	4	3
Productivity Awareness Campaign	43,801	32,028
Programme expenses - Note 7	145,327	299,727
Repairs and maintenance	7,377	4,765
Salaries, wages and national insurance	1,084,853	1,052,742
Sponsorship	27,988	28,194
Staff welfare	40,877	62,898
Supplies and materials	48,417	54,111
Balance carried forward	1,498,887	1,747,304

National Productivity Council
Statement of expenditure...cont'd
For the year ended March 31, 2015

	2015	2014
Expenditure	\$	\$
Balance brought forward	1,498,887	1,747,304
Technical assistance – overseas programme	16,717	72,955
Travel and entertainment	7,829	10,876
Uniforms	0	778
Utilities	31,472	31,600
Vehicle expenses	1,653	3,067
Week of Excellence	36,886	14,569
	<hr/>	<hr/>
	1,593,444	1,881,149
	<hr/>	<hr/>



National Productivity Council

Notes to financial statements

March 31 2015

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 2015

3. Accounts receivable

	\$
These comprise - Staff loans	132,655
- Trade receivables	63,000
- Ministry of Finance	158,383
	<u>354,038</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 2015 \$
Cost						
At April 1, 2014	51,295	15,699	42,494	45,987	12,546	168,021
Additions	425	0	0	0	0	425
Disposals						0
At March 31, 2015	<u>51,720</u>	<u>15,699</u>	<u>42,494</u>	<u>45,987</u>	<u>12,546</u>	<u>168,446</u>
Depreciation						
At April 1, 2014	20,414	11,773	42,494	34,071	12,546	121,298
Disposals	0	0	0	0	0	0
Charge	6,465	2,658	0	10,062	0	19,185
At March 31, 2015	<u>26,879</u>	<u>14,431</u>	<u>42,494</u>	<u>44,133</u>	<u>12,546</u>	<u>140,483</u>
Net Book Value	<u>24,841</u>	<u>1,268</u>	<u>0</u>	<u>1,854</u>	<u>0</u>	<u>27,963</u>



National Productivity Council
Notes to financial statements
For the year ended March 31, 2015

	2015	2014
	\$	\$
6. Depreciation		
Furniture & fixtures	6,465	6,412
Computer hardware and software	10,062	10,931
Plant & equipment	2,658	3,618
	<u>19,185</u>	<u>20,961</u>
7. Programme expenses		
Newsletter	7,553	8,741
Seminars & conferences	17,950	12,914
Short term consultants	34,298	47,992
Public relations	20,649	134,257
Public sector productivity	8,785	0
Research	18,643	15,067
Seminars	9,723	26,831
Staff training	18,976	40,725
Youth productivity programme	650	0
EPQMS	8,100	13,200
	<u>145,327</u>	<u>299,727</u>