

Cleviston Haynes: Civility, creativity and performance – building and sustaining smart partnerships for improved productivity

Speech by Mr Cleviston Haynes, Deputy Governor of the Central Bank of Barbados, at the opening of the 2010 Week of Excellence, Bridgetown, 22 February 2010.

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Dr The Hon. David Estwick, Minister of Economic Affairs & Empowerment, Innovation, Trade, Industry and Commerce; Senator Sir Roy Trotman, President of the Congress of Trade Unions and Staff Associations; Mr. Ben Arrindel, Chairman of the Barbados Private Sector Association; specially invited guests and facilitators; Dr. Tayo Fashoyin, Director, Industrial & Employment Relations Department ILO, other distinguished guests; ladies and gentlemen.

The Central Bank of Barbados is again pleased to participate in this Week of Excellence organised by the Social Partners. It is appropriate that you should begin your week here in the Grande Salle of the Central Bank for the Bank's own strategic vision is to be a centre of excellence in all that it does. At the Bank, we are acutely aware of the sustained effort, discipline, consistency and commitment required to attain this goal. We only have to look at our cricket icons who have led the way by demonstrating in their sphere of activity that excellence is attainable at the international level for citizens of this small country. One can say that in recent times we have also seen what indiscipline, inconsistency and lack of commitment can produce. We therefore commend the Social Partners on their on-going efforts to keep this objective at the forefront of national consciousness.

This week takes place at a difficult period for the Barbadian economy. As you are aware, the past year was challenging as the global financial crisis had a significant negative effect on economic activity, particularly in the tourism and construction sectors and on government's finances. Reduced tourism earnings and lower private sector capital inflows have contributed to an attendant loss of foreign exchange earnings. One unfortunate consequence of these developments has been increasing unemployment. However, it is fair to say that the Social Partners have responded to the challenge with more flexible labour arrangements that helped to contain job losses in some sectors.

In its review in early January of the Barbados economy for 2009 and prospects for 2010, the Bank was cautious in its forecast, noting that the outlook for 2010 is "clouded by uncertainty about the pace and robustness of the recovery in the North American and European markets on which the tourism and international business depend."

Since this sober forecast, the International Monetary Fund has revised upwards its projection for global economic activity, with stronger growth expected in the United States, United Kingdom and the Euro area than previously expected. However, the economic recovery is likely to be uneven and output in some countries, including in some of our major trading partners, is not anticipated to reach pre-crisis levels until 2011.

The uncertainty about the pace of the recovery requires us to be prudent in our economic management. At the same time, we must position ourselves to take advantage of the recovery when it comes. My remarks, this morning, focus on the issue of productivity enhancement as a mechanism of strengthening that recovery.

We rely on our ability to sell our goods and services abroad for our economic success while other countries are at the same time aggressively seeking to sell to us or to set up operations locally. This requires us to be competitive in our domestic market and in our export production.

Our efforts to enhance our competitiveness are closely linked with improved productivity. We know that factors such as size, the lack of domestic competition and access to finance can retard the pace at which productivity enhancing measures are introduced. However, while

these factors may seem to be a disincentive to change, we must not resile from our commitment to pursue productivity enhancements. Clearly there is a role for government in creating the enabling framework for productivity improvements, but productivity occurs at the firm level. In this regard, it is important to remember that even for firms operating in the domestic market, competition comes not only from other local firms but also from external entities that are adopting new technologies and deriving the scale economies by exporting to economies that have not.

How we achieve gains in productivity is complex since the factors that drive long-term productivity growth are complementary to each other. For example, new investments in capital goods and enhancement to labour skills are often required to take advantage of productivity enhancing new technologies.

I wish to suggest that productivity is as important in the public sector as it is in the private sector. We need to ask ourselves whether we can we produce the services we currently provide with no dimunition in quality at a lower cost? Conversely can we produce a higher quality of service without increased costs?

As a services-based economy, some of our productivity gains can probably be achieved by simply being conscious of the need to maintain a customer focus so that we can understand the customer and provide him with what he wants. Our competitive position therefore will be driven not only by price considerations but also by the quality of service that we provide.

This is why I think your theme of this week – Civility, Creativity and Performance: Building and Sustaining Smart Partnerships for Improved Productivity – is so apt for the circumstances.

Those of my generation and before may well recall the age-old bajan parental reminder “Mind Your Manners!”. This memory evokes the word **civility**. One may be forgiven for at first thinking that this word seems out of place in a discourse on productivity. However, when one stops to consider the concept of Smart Partnerships, based as I understand it on the universal values of trust, respect, understanding, good faith and fair play, it becomes abundantly clear that civility is indeed the most appropriate word within this context. In fact, it may be argued that to remove it would be to unravel the fabric that binds the relationships that govern the Smart Partnerships.

If I may be permitted to build on that platform, the guiding principles of Smart Partnership recognize that often the interests of the partners differ and sometimes they even collide. At these times, civility becomes paramount as we seek to resolve our differences through dialogue and peaceful negotiations rather than through the use of power or the exertion of force and coercion.

Civility is therefore the currency we must use in a partnership that brings together Government and Business and Labour in a single forum towards solutions in the national interests.

The theme for this Week of Excellence suggests that the ultimate goal for establishing and maintaining Smart Partnership is to improve productivity. We therefore need to consider the environment in which productivity occurs – the workplace.

Is there a place for civility in the workplace? And, can its practice or lack thereof promote or hinder productivity? I answer a resounding “YES”!

In the workplace, it is not usually the technical competence that provides the greatest challenge or consumes most of our creative energy; rather, it is often fractured relationships, hurt emotions and dishonouring behaviours that stifle creativity and strong performance. These impact negatively on productivity, and are all examples of lack of civility.

Judy Clements Training & Development Programme, *Civility in the Workplace*, contends that, “Employees working side by side need to learn how to respect each other so that they can

work as a team. Unreturned email, unfulfilled promises, late arrivals at meetings, distracted listening all hurt workplace productivity and make work an awful place to be.”

These may seem small things but they are easy to fix and can be beneficial to the workplace in the short term. Of course this must be supported by respect between management and employees at the firm level while more long-term initiatives are undertaken by firms and by government which creates the enabling framework.

If your seminar can achieve greater awareness of the importance of productivity to the national wellbeing, then the time spent here each year will be worthwhile. In closing therefore I continue to wish you much success and reiterate the Bank’s commitment to participating in this annual event.

Thank you.