

INFORMATION CONTAINED IN THE ABSTRACT ON THE IMPACT OF A PRODUCTIVITY PAY SYSTEM FOR THE HOTEL SECTOR

It is generally agreed that productivity is a fundamental driver for corporate and national behaviours and further facilitates competitiveness in the current globalised and liberalised business environment. Given this principle tenet, combined with the strategic and economic importance of the tourism sector to the Barbados economy, the measurement of productivity and its link to employees' wages is critical to an evaluation of the current (and future) performance of the industry.

Terms of Reference

The objectives specified were to:

1. Assess the relevant macroeconomic indicators
2. Establish a Steering Committee consisting of stakeholders within the tourism industry and the trade union movement
3. Develop a framework and/or formula, which is amenable to the Steering Committee and that can be used in order to implement a system of end-of-period productivity pay for worker in that industry; and
4. Oversee a joint study, which involves the Barbados Hotel and Tourism Association, the Barbados Workers Union and The Productivity Council.

Outputs

The development of a productivity pay system for the Hotel Sector is expected to offer the following benefits:

- a. Lessen the pressure to provide automatic annual increases;
- b. Provide for job security in bad times;
- c. Assist budgetary formulation and resource allocation;
- d. Link individual effort to organisational viability and success;
- e. Facilitate strategic approach and professionalism;
- f. Allow more holistic evaluation of enterprise;
- g. Greater communication within organisations;

- h. Engender cooperation and management/labour collaboration; and
- i. Promote fundamentally important customer orientation.

Expected Results

The study is expected to inform stakeholders of the true level of performance in the industry, and to identify the key drivers to further improve its objective output. The Productivity-Pay mechanism should inspire employees to achieve higher levels of performance, improve the respective roles of employees and employers, and increase the overall profitability of the organisation in question.