

Productivity: The Elephant in the Room ***“An Employers Perspective”***

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- He holds a Masters Degree in Human Resources and Industrial Relations from Sydney University.
- A Post Graduate Certificate in Human Resource form the Australia Quality College.
- A BA in Management & Sociology from the University of the South Pacific.
- He holds current Board positions at Housing Authority of Fiji, Public Rental Board and is a Commissioner with Fiji Public Service Commission.
- Mr. Hazelman is the current member of His Excellency the President “Fiji College of Honor”.





PRODUCTIVITY : The Elephant In the Room

“An Macro Perspective”

NESBITT HAZELMAN
Fiji Commerce & Employers Federation



PRODUCTIVITY

Absenteeism/Presentism

Skillsets

Inflexibility



A Macro Overview of Fiji's Labour Market

An estimated 593,620 persons were aged 15 and above, of which 346,214 were in the Labour Force (LF). The Labour Force comprised the following;

- 1) Persons engaged in money work - 263,463.
- 2) Engaged in subsistence activities only - 58,026.
- 3) Unemployed or Actively looking and available for work - 19,149.
- 4) The Labour Force Participation Rate was 58.3%
 - The Unemployment Rate stands at 5.5%
 - The Youth (aged 15-24) Unemployment Rate was 18.1%.
 - a) Formal Sector - 167,300 persons (63.5%)
 - b) Informal Sector - 96,163 persons (36.5%)



: What Are We Doing?

The National Training & Productivity Centre (NTPC)



Fiji Business Excellence Awards

How is Productivity Measured in Fiji

- Industry Level
- Organizational Level
- Individual Level

- Little evidence/data exists on productivity measurements at country level.

KEY CHALLENGES To Productivity

Leave	ERA (days)	Qualifier
Annual	10	1 year
Sick	10	3 months
Bereavement	3	3 months
Maternity	98	150 days
Paternity	5	3 months
Family Care	5	3 months
Public Holidays	10	N/A
Days off (sixth – seventh)	52 - 104	N/A

Analysis of Amended Leave

Male Employee:

- 43 paid leave – 11.7%
- 147 days off work - 40.2% (45hr Working Week)
- 95 days off work – 26.02% (48hr Working Week)

Female Employee: (Including Maternity Leave)

- 136 paid leave – 37.2%
- 216 days off work – 59.17% (45hr Working Week)
- 164 days off work – 44.93% (48hr Working Week)

FCEF MTEC SURVEY

Analysis

ABSENTISM

- 216 - **4%** of workers absent in a month
- 540 - **10%** are late in a month
- 378 - **7%** of Production in a month is lost through **Sick leave, Annual Leave, Bereavement Leave** and **Leave with out notice.**

STAFF TURNOVER (Annual)

- 594 - **11%** Resign and Leave
- 108 - **2%** Terminated
- 540 - **10%** Leave With Out Notice

% EMPLOYEE COST TO SALE & PRODUCTION

- There is a **10%** Overtime cost towards the Total Cost of Production.
- Overtime – specifics of Overtime is stated in S.72 of the ERA and the Wages Regulation Order [WRO](#) for different sectors.
- The FCEF position on overtime is that it should be calculated on a weekly basis rather than daily.

Key Productivity Skills Needed in Fiji

- **Cognitive skills** involve conscious intellectual effort, such as thinking, reasoning, or remembering
- **Non cognitive** or “soft **skills**” are related to motivation, integrity, and interpersonal interaction. They may also involve intellect, but more indirectly and less consciously than **cognitive skills**.

	Key Skill Needed in Fiji	Cognitive	Non Cognitive
1	Communication Skills		✓
2	Basic Trade Skills	✓	
3	Team Work		✓
4	Analytical & Problem Solving Skills	✓	
5	Personal Management Skills		✓
6	Interpersonal Skills		✓
7	Computer / Technical Literacy	✓	

	Key Skill Needed in Fiji	Cognitive	Non Cognitive
8	Leadership		✓
9	Learning Skills		✓
10	Academic Competence		✓
11	Strong Work Values		✓



Wage Increments

<u>Wages Regulation</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2017</u>	Percentage Increase (from 2011 to 2017)
	Effective Date: <u>01/05/11</u>	Effective Date: <u>31/10/12</u>	Effective Date: <u>31/10/12</u>	Effective Date: <u>31/10/12</u>	Effective Date: <u>7/1/15</u>	Effective Date: <u>30/09/17</u>	
Manufacturing	\$2.75	\$3.02	\$3.02	\$3.02	\$3.15	\$3.28	19%
Hotel & Catering	\$2.75 – L	\$2.97 – L	\$2.97 – L	\$2.97 – L	\$3.04 – L	\$3.12 Licensed	13%
	\$2.53 - Others	\$2.73 - Others	\$2.73 - Others	\$2.73 - Others	\$2.80 - Others	\$2.87 Unlicensed	13%
Garment	\$1.96	\$2.15	\$2.15	\$2.15	\$2.24	\$2.20 Learner	12%
						\$2.68 Other	37%
National Minimum Wage				\$2.00 - 3/1/2014	\$2.32	\$2.68	34%

Summary

- Based on quantitative Statistics, it is shown that as a nation, Fiji is operating at 50% of its Productive Capacity.
- There is little data on labour productivity at the national level.
- Wage linked productivity wage systems exist largely in the private sector.

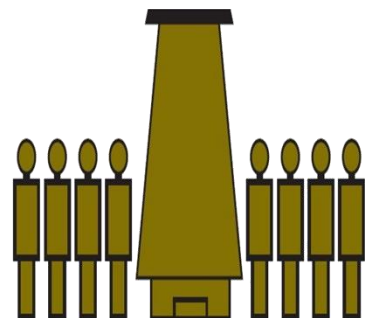
Solutions

- As a developing third world nation there need to be a paradigm shift in how productivity is viewed
- Labour Laws need to be reviewed to allow for flexibility
- Data collection in relation to productivity is critical –
“if we cant measure, how can we manage”

**“PRODUCTIVITY AND THE GROWTH OF
PRODUCTIVITY MUST BE THE FIRST ECONOMIC
CONSIDERATION AT ALL TIMES, NOT THE LAST.
THAT IS THE SOURCE OF TECHNOLOGICAL
INNOVATION, JOBS, AND WEALTH.”**

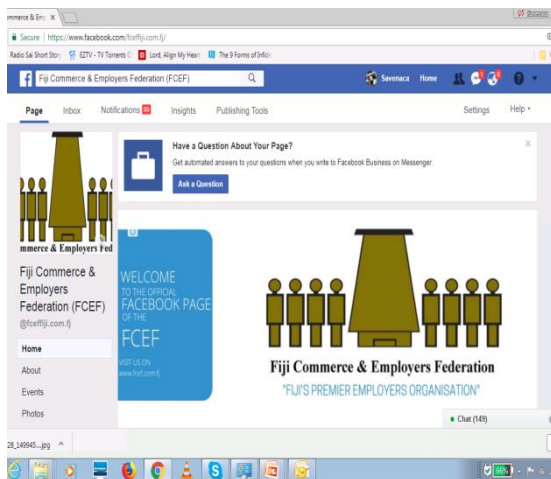
WILLIAM E. SIMON

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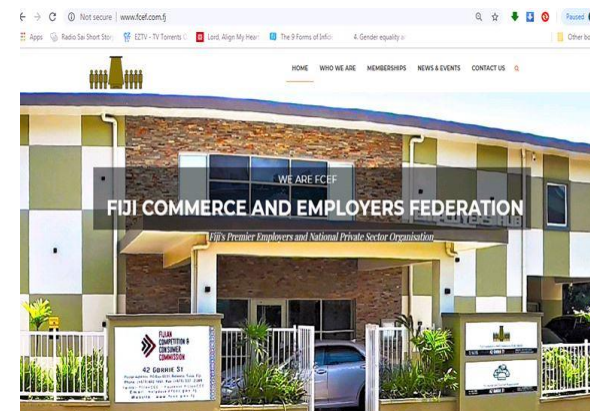
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