Management Guru, Tom Peters held a full-day workshop on the theme “Leading your company, leading your workforce” from 10h00 to 17h00 at the Swami Vivekananda International Convention Centre, Pailles on the 16 April, 2014 in the presence of 1300 participants consisting mainly of senior executives, managers and entrepreneurs. Tom Peters drew deep appreciation and deeply inspired all the participants to lead their workforce and sustain their business in order to be able to compete in the global market. Tom Peters stimulated the thinking of modern managers and entrepreneurs and to re-imagine excellence. He does not believe random forces and stressed on three key points, excellence in business, leadership and the need to dare.

Tom Peters emphasized that a company driven to succeed has to focus on specific objectives, an effective workforce, on the client from beginning to end and on the need for continued adaptation coupled with set priorities. Every project should be previewed with the real priority and no room should be left for diversions that could jeopardize the goal. The success or failure of the company depends on the people. The management should foster a conducive, healthy and friendly environment for its employees thus ensuring the effectiveness and efficiency of the workforce. The company could only excel in business world when the entrepreneur considers sound industrial relations and well-being of employees a vital asset for progress.

Tom Peters, himself an engineer and consultant in management, laid much emphasis on the need to provide academic and professional training to employees as his third key point. He said that the survival of the company depends on innovation, education and adaptability of employees to face innovative concepts. Training represents crucial strategic opportunities and enable companies to develop the entire workforce and business activities.

Entrepreneurial leadership

Tom Peters is adamant on the fact that we cannot mention leadership without considering the organizational requirements. Values and code of ethics are other factors that can lead to an entrepreneurial effort directly related to excellence and determination to excel. Entrepreneurial excellence is power but equally important, a responsibility to the community that purchase the services offered, said the management guru.
TOM PETERS LEADS A WORKSHOP IN MAURITIUS

Continued

The success of the Tom Peters workshop is still reverberating all over Mauritius. Everybody present including our small and medium enterprises was moved by the Tom Peters experience. He is relentlessly energetic, enthusiastic and optimistic tone he has during the whole day shares the most compelling vision of the possibilities of business. He showed every where work has meaning, purpose, passion and joy. Mauritian entrepreneurs have such high calibre personalities to continuously encourage and inspire them.

Tom Peters said “Mauritius needs training, training in the army as conductor training as a life saving tool, athletes train constantly and improve as a result. So why not people in organization? We firmly believe that training is the key success for our enterprise. NPCC is presently involved in the implementation of different projects focused on consulting, training and Productivity improvement in enterprises. 500 productivity Champions will be trained under the Go SME project. Our Productivity & Competitiveiveness Academy will be launched shortly and high level international training programs will be delivered in association with the Institute of Productivity of the UK. The NPCC has invited Professor Robert S. Kaplan for a one day full workshop on 6th August. Robert tells us how to use the Balance Scorecard with his audience and discuss how leaders establish a clear vision and set of priorities for the organization by asking the right questions instead of trying to have all the answers. It often seems do not natural and so much easier to just do what everyone else is doing—for now—leaving it for later to develop our best selves and rise to our own unique path. He shared a roadmap that will enable us to identify our customers, earn customer satisfaction and evaluate the performance of our employees. Reducing waste, developing new products, and improving processes to be more competitive on the market, Leadership qualities play an important role in the aspect of management. Its ability to consider the various methods and processes that matter to consumers will definitely determine the excellence of the company and allow it to stand out against competition. That’s why leaders should be aware of the consequences of any actions of their counterpart that may have an impact on the business.

Few companies achieve success when they start. Tom Peters called to businesses and aspiring entrepreneurs to believe in their projects, their objectives and focus on the development of their businesses. He admitted success is reserved only for the man or woman who is the fastest, synonymous with exponential growth and profits and for those who wish to give up. Failure should be seen as an opportunity to maximize its resources, human and material and find the ways to circumvent loopholes and avoid obstacles already identified in the first place.

Leadership and Management: The Case of Mauritius

Tom Peters said he is confident about the country’s success in the world of business even if it is still developing. “The size is not important, a portion of Small Island Developing States, Mauritius has all the qualities needed to stand out in entrepreneurship, a key economic pillar and avoid obstacles already identified in the first place. Leadership and Management: The Case of Mauritius

The objective of the projects to empower SMEs to continuously improve their internal systems and processes to be more competitive on the market. The target set by NPCC for this project is to embark at least 500 SMEs on the productivity improvement journey for the year 2014. More than 510 SMEs have registered for the GoSME project during the period 16th January to 30th April 2014. Above 300 SMEs have already been audited by Productivity Executives of NPCC. A preliminary analysis of the audit shows that major weaknesses of SMEs are linked to their internal operations, strategic planning, financial monitoring and marketing of the products. For the month of May, NPCC will train at least 100 productivity champions from SMEs on improving the internal operations through Lean Management. Lean Management is a strategy for operational excellence based on clearly defined values to engage people in continuously improving safety, morale, quality, cost, delivery and productivity. Compared to other methodologies, Lean is seen to be a complete systematic approach to productivity improvement within enterprises. Other general training in the pipeline for SMEs are Strategic Management, Finance and Marketing. These courses will be organized in the month June to December.

Workshop on SME Productivity Improvement by John Heap

The basic definition of productivity and highlighted the key problems faced by SMEs. SMEs who attended the workshop were inspired on how to establish or review their critical success factors and key performance indicators. John Heap shared case studies from his wide experience in different countries. He stressed that productivity gain should benefit the whole community and should not only a few, that is economic productivity is meaningless without social and environmental productivity. John Heap explained that if baking a small cake, each of one will have a small share of the cake. On the other hand, baking a bigger cake, everybody will have a bigger share of the cake. Productivity helps to bake a bigger cake without adding more cost and social well-being will be achieved if the gains are shared fairly among everybody.
**PRODUCTIVITY PERFORMANCE OF MAURITIUS 2013**

The latest report released by Statistics Mauritius

The latest report released by Statistics Mauritius on Productivity and Competitiveness Indicators for 2003 – 2013 highlights that the growth rate for 2013 was 3.2%, lower than the growth of 3.4% registered in 2012.

**Productivity trends for the economy: 2003-2013**

In tandem with the lower GDP growth registered in 2013, labour productivity, defined as real GDP per worker, grew at the rate of 0.2% in 2013 compared to 2.1% in 2012. The index of labour productivity, improved from 85.8 in 2003 to 114.5 in 2013, giving an average annual growth of 2.9%.

On the other hand, capital productivity continued to decline for the fifth consecutive year as from 2008 with a decline of 0.4% observed in 2013.

During the period 2003 to 2013, the index of capital productivity declined at an average annual rate of 0.7% from 101.9 in 2003 to 94.6 in 2013.

Multifactor productivity (MFP), which shows the rate of change in “productive efficiency,” did not grow in 2013 compared to an increase of 0.1% recorded in 2012. A growth of 0.7% has been observed in the average annual change in MFP during the period 2003 to 2013.

Unit labour cost (ULC), which measures the remuneration of labour per unit of output, increased by 7.6% in 2013 compared to a 2.7% growth in 2012. Between 2003 and 2013, ULC in Mauritius grew annually at an average rate of 4.2% and in 3.4% in dollar terms.

**Productivity trends for the Manufacturing sector**

A growth of 4.5% has been registered for the manufacturing sector in 2013 compared to 2.2% in 2012. Between 2007 and 2013, real output in the manufacturing sector grew on average by 2.5% annually.

**Productivity and competitiveness indicators for the Manufacturing sector**

Labour productivity grew by 1.6% in 2013 compared to 2.2% in 2012. Capital productivity improved in 2013 and grew by 4% compared to a growth of 3.4% in 2012. Multifactor productivity improved from 3.4% to 3.5% in 2013.

Unit labour cost (ULC) for the manufacturing sector decreased by 0.4% in 2013 compared to an increase of 2.8% in 2012. In Dollar terms, in 2013, ULC decreased by 2.7% after a decline of 1.2% in 2012.

**Manufacturing Unit Labour Cost of selected countries, 2012**

<table>
<thead>
<tr>
<th>Country</th>
<th>USA</th>
<th>France</th>
<th>Germany</th>
<th>Italy</th>
<th>UK</th>
<th>Mauritius</th>
<th>Taiwan</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Currency</td>
<td>1.8</td>
<td>3.4</td>
<td>4.5</td>
<td>4.0</td>
<td>6.6</td>
<td>2.8</td>
<td>1.0</td>
<td>3.1</td>
</tr>
<tr>
<td>ULC (US Dollars)</td>
<td>-8.1</td>
<td>-4.5</td>
<td>-4.4</td>
<td>-3.9</td>
<td>5.1</td>
<td>-1.2</td>
<td>0.4</td>
<td>1.5</td>
</tr>
</tbody>
</table>

**Source:** Statistics Mauritius

**Labour productivity grew by 1.2% in 2013 compared to 2.2% in 2012.**

International comparisons of ULC in the manufacturing sector highlight that ULC, expressed in national currency, increased in all countries except USA, Mauritius and Taiwan.

Mauritius recorded an increase of 2.8% in 2013. In the same year, ULC in US Dollar showed decreases in most countries except UK, Taiwan and Korea.

Mauritius witnessed a decrease of 1.2%.

**Productivity trends for Export Oriented Enterprises (EOE)**

During the period 2007 to 2013, real output of the EOE sector increased at an average annual rate of 2.1%. Within the sector, the real output of non-textile establishments grew by 5.0% while that of textile establishments increased by 1.0%.

The index of labour productivity, improved from 85.8 in 2003 to 114.5 in 2013, giving an average annual growth of 2.9%.

In 2013, labour productivity in EOE declined by 1.4% compared to a growth of 3.8% in 2012. Capital and multifactor productivity witnessed decreases of 1.9% and 1.4% respectively in 2013 after the increases of 3.5% and 6.2% in 2012.

**Source:** Statistics Mauritius

**Labour productivity grew by 1.2% in 2013 compared to 2.2% in 2012.**

**Productivity and competitiveness indicators for the Manufacturing sector**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Annual average</th>
<th>2007 - 2013</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Output (Value added at constant prices)</td>
<td>2.5</td>
<td>2.2</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>2. Labour input</td>
<td>-0.8</td>
<td>0.0</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>3. Capital input</td>
<td>-1.7</td>
<td>-2.7</td>
<td>-2.7</td>
<td></td>
</tr>
<tr>
<td>4. Capital - Output ratio</td>
<td>-4.1</td>
<td>-4.8</td>
<td>-6.9</td>
<td></td>
</tr>
<tr>
<td>5. Capital – Labour ratio</td>
<td>-0.9</td>
<td>-2.6</td>
<td>-5.8</td>
<td></td>
</tr>
<tr>
<td>6. Labour productivity</td>
<td>3.3</td>
<td>2.2</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>7. Capital productivity</td>
<td>4.2</td>
<td>5.0</td>
<td>7.4</td>
<td></td>
</tr>
<tr>
<td>8. Multifactor productivity</td>
<td>3.7</td>
<td>3.4</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td>9. Average compensation of employees</td>
<td>6.7</td>
<td>5.1</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>10. Unit Labour Cost (Mauritian Rupees)</td>
<td>3.3</td>
<td>2.8</td>
<td>-0.4</td>
<td></td>
</tr>
<tr>
<td>11. Unit Labour Cost (US Dollars)</td>
<td>3.7</td>
<td>-1.2</td>
<td>-2.7</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Statistics Mauritius
THE BALANCED SCORECARD
Scorecard: Translating Strategy Into Action

David P. Norton (of the seminal book The Balanced Scorecard) and Robert S. Kaplan are recognized as the co-authors (with David P. Norton) of activity-based costing and the co-author (with Robert S. Kaplan) of the Marvin Bower Professor of Leadership Development at Harvard Business School, and Professor Emeritus at the Harvard Business School.

Robert S. Kaplan will demystify and simplify the concepts of the Balanced Scorecard.

The workshop will be held on 6 August 2014 at the Swami Vivekananda International Convention Centre, Pailles from 09h30 to 17h00.

All details will be available on our website: www.npccmauritius.com.

Ticket prices will be as follows:

- Platinum, Rs. 15,000
- Gold, Rs. 8,000

Global economic conditions have changed the perspectives of working culture towards excellent working performance with the adoption of best practices.

One of the easiest ways to determine a company’s attitude towards productivity improvement is to simply walk around its premises and observe the level of housekeeping practices. The reason is that good housekeeping is the first and essential step to continuous productivity improvement. One can judge the level of productivity improvement activities from the way tools are stored, spare parts are handled, work tables organised, factory floors swept, machines cleaned, personal items stored and so on.

In short, housekeeping practices reflect management’s general attitude towards work. For instance, a manager who does not pay attention to trash scattered around the factory would influence workers in a very different manner from one who makes sure that trash is picked up whenever it is found. This seemingly trivial difference eventually shows up as a wide contrast in employee morale, defective products, machine breakdowns, material flow and inventory level. Once this link is recognised, one would appreciate the need for a systematic approach in company with good housekeeping practices will have a good foundation for higher productivity, better quality, reduced costs, greater safety, higher employee morale etc.

In contrast, poor housekeeping practices can lead to disastrous outcomes such as high defect level, increased machine breakdowns, increased machine costs, greater safety, higher employee morale etc.

The concept of good housekeeping has been with us for a very long time. Children at home are taught good housekeeping activities from an early age. In brief, one has to decide on What to clean, Where to clean it, When to clean it, How to clean it, Why to clean it, and cleaning is used as inspection. Seiri is a Japanese word which means that every item has a place which is conspicuously labelled and in other words means that there is a Place for Everything and Everything is in its Place (PEEP).

Visual management is implemented. This leads to standardization of storage. The target for searching time is 30 seconds.

3S: Seiri - Sorting - Segregation
4S: Seiton - Seizing - Spacing
5S: Seiso - Inspecting - Cleaning

5S management techniques have contributed significantly to improve internal efficiencies, operational effectiveness and foster on time delivery system to the delight of customers. To achieve this, organizations should integrate 5S activities into their business functions as their organizational culture. The National Productivity and Competitiveness Council (NPCP) have been disseminating 5S best practices since its inception in 2000. It has been continuously emphasising on 5S activities as an effective approach for moving towards operational excellence.

5S is in an organisation not done merely for aesthetic reasons. One may argue for the furniture arrangement in a certain way to create a cozy atmosphere or an artistic effect.

Housekeeping in an organization is however an entirely different matter. A practical or economic reason underlies each housekeeping activity in a company. Achieving clean floors, organized racks and files is not an end in itself. The ultimate goal of housekeeping is to reduce the cost of a product or service by improving productivity.

Strategic & Execution: The Balanced Scorecard

Robert S. Kaplan is the Marvin Bower Professor of Leadership Development, Emeritus at the Harvard Business School.

Good Housekeeping Practices Through 5S
The 5 simple secrets to a Productive Workplace

GROUP BOOKINGS | % DISCOUNT | DISCOUNTED PRICE PLATINUM SEATS | DISCOUNTED PRICE GOLD SEATS
--- | --- | --- | ---
5 – 10 participants | 5% | Rs. 14,250 | Rs. 7,600
11 – 25 participants | 7% | Rs. 13,950 | Rs. 7,440
26 – 50 participants | 15% | Rs. 12,750 | Rs. 6,800
51 – 100 participants | 21% | Rs. 11,850 | Rs. 6,320

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For instance, in organising tools in a systematic way, the main aim is not to put them up to achieve neat look. By putting the most frequently used tool near to the machine and in a visually distinct manner, all we achieve is an arrangement which minimizes search time and hence reduces wastage of manpower. Along the same line, floors and machines are not cleaned and clearly labelled simply for the sake of appearance. Clean surfaces expose problems such as oil leaks and cracks, enabling corrective action to be taken the earliest possible. Early detection of problems helps to prevent catastrophes. Furthermore, clean and oil-free floors reduces accidents while clean machines do not break down as often as dirty ones.

The removal of clutter along passageways is also done for practical reason. It prevents blockage to the smooth flow of materials and work in progress.

Good housekeeping through 5S is the foundation for a productive workplace. In 2014, the NPCP will continue to disseminate enterprises to implement Good Housekeeping through 5S.
The NPCC Productivity Award 2014 is reaching its final phase with the announcement of the winners on the 6th June 2014 during an Award Ceremony.

The very first NPCC Productivity Award in Mauritius, was launched during a press conference held on 24 October 2013 in Ebène. The aim is to reward the most productive companies in the private and public sector.

Commenting on this first edition, Mr. Kevin Chuttur, Chairman of the NPCC explained: “The NPCC Productivity Award 2014 is an extension of the Productivity Campaign 2013 and is launched to reward and give recognition to individuals, businesses and public sector organisations for their outstanding productivity improvement initiatives”. Private sector and public sector organisations of all sizes can participate in three categories of participants, namely:

- Small and medium private enterprises (with less than Rs 50 million annual turnover)
- Large private enterprises (more than Rs 50 million annual turnover)
- Government departments and parastatals

From the 338 companies who showed interest in the NPCC Productivity Award 2014, 114 project reports were finally submitted for assessment. 77 SMEs, 22 large companies and 15 government and parastatal bodies took part in the first NPCC Productivity Award. The companies come from a wide spectrum of our economy: manufacturing, service, BPOs, hotel industry as well as tourism and business schools.

Two representatives of each winning team will participate in a Productivity Study Tour in Malaysia scheduled for 10-15 August 2014, organized by the Malaysia Productivity Corporation. The NPCC will finance the air ticket and accommodation in Malaysia. The winners will visit model enterprises which have already attained a high level of Productivity. They will benefit from training sessions and interaction with top Malaysian Productivity Experts.

Winners of the award will be eligible to use the award logo for publicity purpose for two years. The winners will also benefit from a 20% discount on NPCC training courses for one year. Certificates of participation will be awarded to all other participating companies.

The submitted project reports have been assessed by a Technical Assessment Team. The projects had to reflect a clear analysis of a productivity issue/problem, the productivity improvement initiatives taken including the implementation of actions and clear measures of efficiency and effectiveness as well as their positive impact on the organization.

Prior to on site audits, the Jury Panel scheduled face to face audits with shortlisted companies.

- Large private enterprises (more than Rs 50 million annual turnover)
- Government departments and parastatals

OVERVIEW ON MALAYSIA

Malaysia is a relatively open state-oriented and newly industrialised market economy. The state plays a significant role in guiding economic activity through macroeconomic plans. Malaysia has had one of the best economic records in Asia, with GDP growing an average 6.5 per cent annually from 1957 to 2005. In 2011, the GDP (PPP) was about $450 billion, the third largest economy in ASEAN and the 29th largest in the world. In 1991, former Prime Minister of Malaysia, Mahathir bin Mohamad outlined his ideal in Vision 2020, in which Malaysia would become a self-sufficient industrialized nation by 2020.