

# PROJECT STATUS REPORT (FINAL)

JULY 2011 - DECEMBER 2011

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Improving Labour Productivity through Internal Corporate Social Responsibility

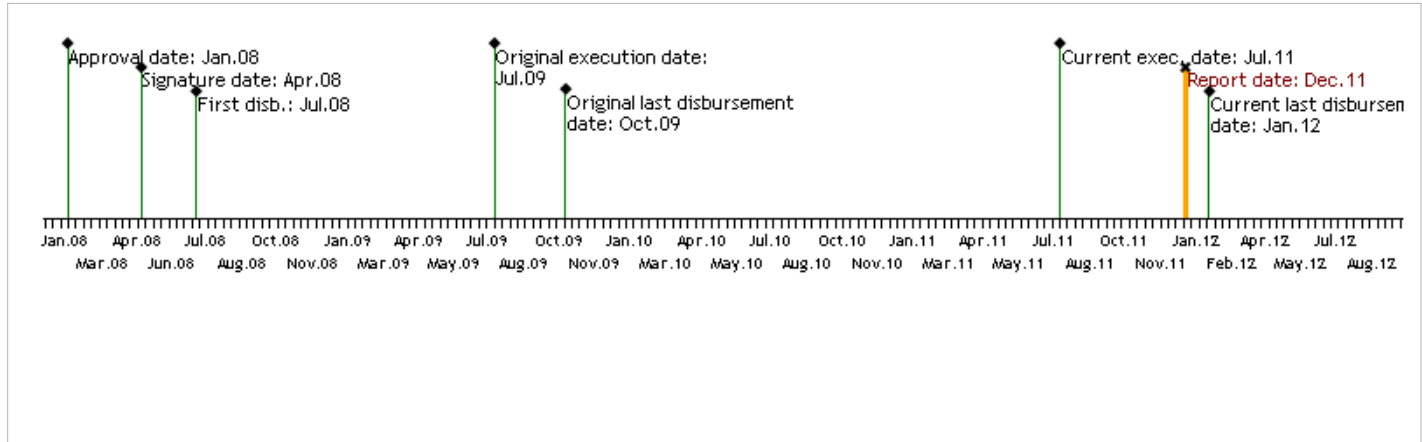
Project Number: TT-M1012 - Operation Number: ATN/ME-10800-TT

**Result:** To incorporate CSR practices in selected companies to enhance their performance

Country Administrator	Beneficiary Country	Group	Subgroup
TRINIDAD AND TOBAGO	TRINIDAD AND TOBAGO	SME - Small and Medium Enterprise Development	CSOR - Corporate Social Responsibility

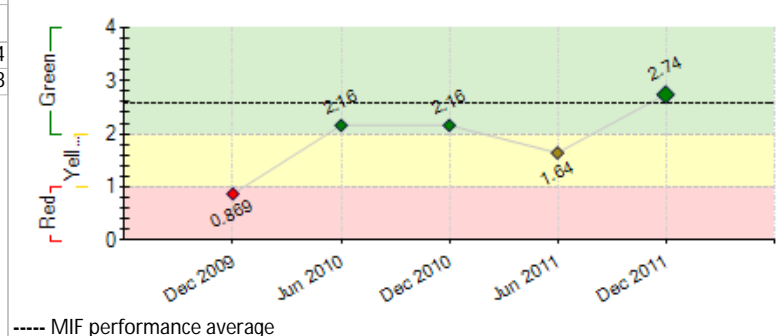
<b>Executing Agency:</b>	TRINIDAD Y TOBAGO MANUFACTURERS' ASSOCIATION	<b>Design Team Leader:</b>	Dookiesingh, Vashtie
		<b>Supervision Team Leader:</b>	Dookiesingh, Vashtie

### TIMELINE



FUNDS	Approved	Cancelled	Disbursed
FOMIN	\$115,000.00	\$38,044.76	\$76,955.24
Counterpart	\$0.00	\$50,000.00	\$45,554.18

### PERFORMANCE SCORE



## SECTION 2: RESULTS AND ACHIEVEMENTS

### Performance once project is completed

The intervention in Barana benefitted greatly from sustainability initiatives of the parent company as well as from the change process that was initiated by the new general manager. A year on year comparison between the first five months of 2009 and 2010 shows very impressive results in the two "manufacturing" lines at Barana. In the loin line there was a reduction of total man hours by some 34% mainly as a reduction in overtime, but there was increase in the output per man hour by 29% and a reduction in cost per ton of output by 5%. Similarly in the pouch line there was a reduction of direct labour man hours by 38%, an absolute increase in output of 26%, an increase in cases produced per man hour by 104% and a decrease in the cost per case of 27%. Very strong executive support worked well for the Barana programme and significant results, surpassing targets were achieved.

The Lake Asphalt programme for productivity improvement concentrated on the problem of spills at different locations in the company. The Lake Asphalt programme also had two supporting programmes which sought to strengthen the social responsibility of the company to its workers. One was improving the internal customer service (in particular in the procurement section of the company) and the other was improving internal communication in an effort to better engage workers.

The Lake Asphalt initiative has demonstrated results with respect to the reduction in spills, which represent significant savings both in terms of avoiding loss of

product as well as reducing the cost of clean up.

One key lesson from the TCL experience was that the principles of internal corporate social responsibility are consistent with the principles of good enlightened management and companies may in fact be practicing internal CSR without calling it that. The failure of institutional involvement from the recognised majority unions was clearly a shortcoming in the process.

TCL's Production Department measured its performance in seven processes using three indicators - availability, efficiency and Overall Equipment Effectiveness (OEE). Comparing the performance in the first quarter of 2010 against the performance in 2009 shows that the indicators are overwhelmingly encouraging. The OEE had very impressive increases of more than 15% in three of the seven processes; a fourth showed an improvement of more than eleven per cent and the fifth showed an improvement of just over nine percent.

#### Comments from the Supervision Team Leader

Of the 5 pilot internal CSR initiatives planned only 3 materialized. 1 project at Barana a fish processing plant delivered real productivity gains, another at Lake Asphalt a mining company had moderate success in reducing waste and the third pilot resulted in some gains in terms of the availability and efficiency of equipment. While the pilots demonstrated the value and tangible returns to the company of engaging in internal CSR, efforts to actively engage other companies in the global CSR network and to leverage the case studies and CSR toolkit produced met with limited success, mainly due to a lack of project ownership and interest of the Executive Management and Board of the Executing Agency (the Trinidad and Tobago Manufacturers Association)

#### Final evaluation

The project was partially successful. Pilot CSR initiatives with 3 companies clearly demonstrated the linkage between internal CSR and productivity gains but the Executing Agency was unable to secure a broader base of CSR practitioners given limited outreach and sub optimal dissemination of the case studies and tool kit

#### Comments from the Supervision Team Leader

Partially agree with the Evaluators comments

The Executing Agency failed to capitalize and leverage MIF's investment in the pilot CSR case studies and toolkit and did not try to leverage the results to build out the practice of CSR.

[Final evaluation](#)

<http://mif.iadb.org/file.aspx?DOCNUM=38210511>

### SECTION 3: INDICATORS

	Indicators	Baseline	Planned	Achieved	Percentage
<b>Result:</b> To incorporate CSR practices in selected companies to enhance their performance	<b>P.11</b> Percentage increase in level of productivity reported by participating companies	0	10	10	100 %
	<b>P.12</b> Reduction (in percentage) in employee absenteeism reported among participating companies	0	20	0	0 %
	<b>P.13</b> Reduction (in percentage) in job turnover among participating companies staff	0	10	0	0 %
<b>Classification:</b> Satisfactory					
<b>Component 1:</b> Implementation of Internal CSR practices in 5 selected companies <b>Weight:</b> 85% <b>Classification:</b> Satisfactory	<b>C1.11</b> Number of companies for which CSR strategies are defined and implemented	0	5	3	60 %
	<b>C1.12</b> Number of managers in pilot companies that improve their knowledge and understanding of CSR	0	25	22	88 %
	<b>C1.13</b> Number of employees in workforce of participating companies that will benefit from internal CSR pilot projects	0	500	678	136 %
	<b>C1.14</b> CSR strategy developed for selected companies.	0	5	3	60 %
<b>Component 2:</b> Strengthening local network of the UN Global Compact <b>Weight:</b> 15% <b>Classification:</b> Unsatisfactory	<b>C2.11</b> Number of companies exposed to program results and business benefits of implementing CSR in Trinidad and Tobago	0	400	0	0 %

	Milestones	Planned	Due Date	Achieved	Date achieved	Status
<b>M1</b>	Previous Conditions	4	Oct 2008	4	Jun 2008	Achieved
<b>M2</b>	CSR strategy developed for the 5 selected companies  At project completion: At least 25 managers of selected companies who will benefit from improved knowledge and skills associated with development of internal CSR practices linked to increases in labour productivity; At least 500 technical staff and operators, comprising the workforce of participating companies, who will benefit from improved workplace practices; Each of the 5 participating firms achieve some improvement in baseline performance indicators in accordance with benchmarks and milestones established in the design of firm level interventions.	3	Jul 2010	3	Mar 2010	Achieved
<b>M3</b>	UN GC Local Network functioning and active in Trinidad and Tobago. Number of joint CSR initiatives among companies participating in the UN GC Local Network. At least 400 are made aware of program results and the potential business benefits of CSR in Trinidad and Tobago.	1	Jul 2010	0	Jun 2011	Not Achieved

#### CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Executing agency institutional capacity
- [X] Supplier/contractor performance
- [X] Borrower/executing agency commitments
- [X] Purchase difficulties

## SECTION 4: RISKS

## CRITICAL RISKS MANAGED DURING IMPLEMENTATION

PROJECT RISK LEVEL: Low TOTAL NUMBER OF RISKS: 3 IN EFFECT RISKS: 0 NOT IN EFFECT RISKS: 0 MITIGATED RISKS: 3

## SECTION 5: SUSTAINABILITY

## Likelihood of project sustainability after project completion: I - Improbable

The Executive Management and leadership of the Executing Agency demonstrated little interest or effort in sustaining the project and failed to engage their wider membership to advance this approach beyond the 3 pilot projects.

## CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

Issue	Comments
[X] Lack of <b>commitment</b> from the executing agency to continue or expand the project's services and/or activities	The Executing Agency demonstrated little interest or effort in leveraging results and engaging other companies to build out a CSR network and apply these principles to address productivity issues that continue to plague the manufacturing and wider business sector
[X] A <b>market</b> is not generated for the project's services and/or activities (low payment capacity or low demand for those services)	The key project stakeholders, principally the Executing Agency and the Graduate School of Business chair in CSR failed to promote and disseminate the approach of using CSR to combat productivity issues
[X] Relevant actor's <b>opposition or lack of interest</b> to continue with the project's activities or services	Local businesses demonstrated little interest or appetite for sustaining the project

## Actions related to sustainability which have been implemented:

The project design required the development of a Toolkit which may be used by enterprises desirous of improving their productivity through the use of the principles of internal corporate social responsibility.

The consultant designed a framework for using the principles of internal corporate social responsibility to impact on enterprise productivity. That framework showed a series of causes and effects which, other things being equal, lead to increased productivity. The consultant took each of the cause factors and provided guidelines for their implementation.

Information shared with TTMA's member companies.

[Sustainability Plan](#)

## SECTION 6: KNOWLEDGE

Lessons learned	Relative to Sustainability	Author
1. The Executing Agency selected to implement MIF projects must be committed to support sustained leverage of investments beyond the period of MIF engagement. For business associations this can only be secured by maintaining dialogue at the level of both senior management and the Board of Directors. Changes to the Presidency and board composition of the TTMA during the course of project implementation diluted the level of interest and support for project success and sustainability		DOOKIESINGH, VASHTIE [MIF]
2. Specific attention must be placed on the sense of ownership and pride by employees therefore resulting in increased employee morale which is closely connected to employee productivity and efficiency. Project initiatives must be designed to challenge existing management structures that do not develop strong systems to encourage inclusive management practices.	Implementation	ROBERTS, GISELLE
3. The three company experiences emphasised the importance of understanding the dynamics of a company and reaffirmed that 'one size does not fit all'. It reaffirmed the importance of working to secure the involvement and input of all stakeholders within the enterprise to be part of the initiative.	Sustainability	ROBERTS, GISELLE
4. The association learned that the issue of labour productivity and CSR are not issues that are often given major priority by all companies and as such ensuring buy-in for projects of this nature is quite a challenge. The lesson learned for future initiatives is to attend to the attitudes and perceptions of internal CSR and try to tackle those perceptions prior to embarking upon such a project.	Design	ROBERTS, GISELLE

## Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.

IDBDOCS #38210287 and # 38210308 Case Studies and CSR Toolkit can be utilized by other firms seeking to understand and implement internal CSR programs

## Main products of the project

[No related products to display]

## SECTION 7: DOCUMENTS

04/NOV/2013 [Final Evaluation Report](#)

[http://www5.iadb.org/mif/file.aspx?DOCNUM=38210511]

[Project profile](http://www5.iadb.org/mif/apps/public/psr/projectprofile.aspx?proj=TT-M1012&lg=EN)<http://www5.iadb.org/mif/apps/public/psr/projectprofile.aspx?proj=TT-M1012&lg=EN>