



Port Authority of the Cayman Islands
Organisation Evaluation Final Report

March 3, 2018

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"Leadership is the
capacity to translate
vision into reality."

— Warren Bennis

Executive Summary

This executive summary outlines the approach that was taken and summarises the results derived from this process performed by Deloitte & Touche ("Deloitte") on behalf of the Port Authority of the Cayman Islands (the "PACI"), as well as addendum work performed at the request of the Board of Directors (the "Board") of the PACI. All deliverables from the project are included in the Appendixes of this report.

Project Background

The PACI is responsible for maritime operations in the Cayman Islands including cargo and cruise activities.

In January 2015, the Board contracted Deloitte to conduct an organisational structure evaluation and refinement (the "Project"), with the objectives of identifying organisational factors contributing to the performance and accountability issues of the PACI in meeting its obligations under the Port Authority Law (1999 Revision), and determining where the organisational structure can be adjusted to mitigate the issues and improve operational efficiency.

Project Objectives

In consideration of previous governance status reports by the Office of the Auditor General of the Cayman Islands (December 2013) regarding PACI's overall deficient performance, function and accountability, the organisational structure evaluation would allow for the identification of organisational gaps and highlight any high level inefficiencies that exist within the PACI's current organisational structure. This supports the Board's goal of identifying and mitigating these contributing factors and ensuring that the organisation is operating at optimal efficiency.

Strategic Retreat Session

At the outset of the project it was revealed that the organisation did not have an updated strategic plan to be used as the foundation for organisational change. As a result, at the request of the Board of the PACI, Deloitte facilitated a two day strategic retreat workshop, March 6 to March 7, 2015, at the Brac Reef Resort in Cayman Brac, Cayman Islands. Senior members of the Ministry of District Administration, Tourism & Transport (the "Ministry"), the PACI, Customs and the Board were in attendance. The outcomes of the session were defining the PACI's vision, mission, strategic priority areas ("SPA"s), and core values. Interviews with stakeholders indicated the proposed improvements to the PACI's organisational structure should align with and support the outcomes of the strategic session.



PACI Strategic Retreat Session Outcomes

Vision Statement

The elite Port of excellence in the Caribbean setting the standard on efficiency, safety, and customer focused operations.

Mission Statement

To foster a culture of excellence in service and care coupled with collaborative efforts that focus on sustainability through the provision of innovative, safe, efficient solutions, which will stimulate and facilitate waterborne commerce, trade and leisure travel, thus resulting in the continued economic development of the Cayman Islands.

Strategic Priority Areas

1. Diversity of Revenue Streams
2. Technological Innovation
3. Operational Capabilities and Capacity
4. Human Capital

Core Values

Sustainability
Accountability
Forward Thinking
Efficient

Commitment
Honor
Our People
Integrity
Collaboration
Embrace Change
Service Excellence



Phase I: Organisational Structure Evaluation & Refinement¹

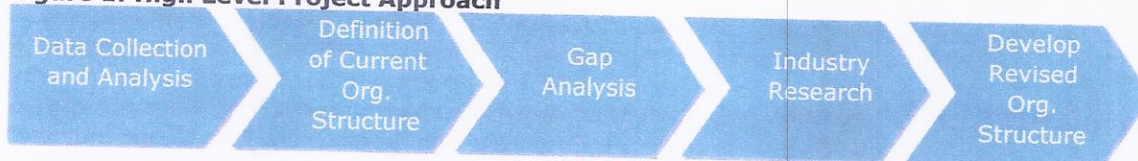
Methodology

Deloitte conducted an independent review of the PACI's organisational structure by tailoring Deloitte's proprietary Organisation Design Framework to meet the specific needs and requirements of the PACI. The conceptual framework used for the Project, specifically for organisation design, acts as a guide to ensure a consistent and methodical approach to organisation reviews and subsequent design recommendations. This Organisation Design Framework has been successfully utilised with a number of clients to ensure recommendations are objective, based on solid principles, and enhanced and upgraded as required.

Approach

Key activities undertaken during Phase I of the Project included:

Figure 1: High Level Project Approach



¹ See Appendix 1 for full Phase I report.

Specific data was gathered and used to guide the definition of the PACI's current organisational structure, analysis, and recommendations. Data gathering included internal and external stakeholder focus group sessions, internal surveys, one-on-one interviews, review of applicable laws, review of internal PACI documents and industry research.

Our Understanding of the PACI's Current Organisational Structure

The current organisational chart (see **Figure 2: Current Organisational Structure**) depicts our understanding of the current state of the PACI's organisational structure, as of the start of the Project. This understanding of the current organisational structure was validated with the Project Steering Committee ("PSC") and PACI senior management, and used as the basis for the data analysis.

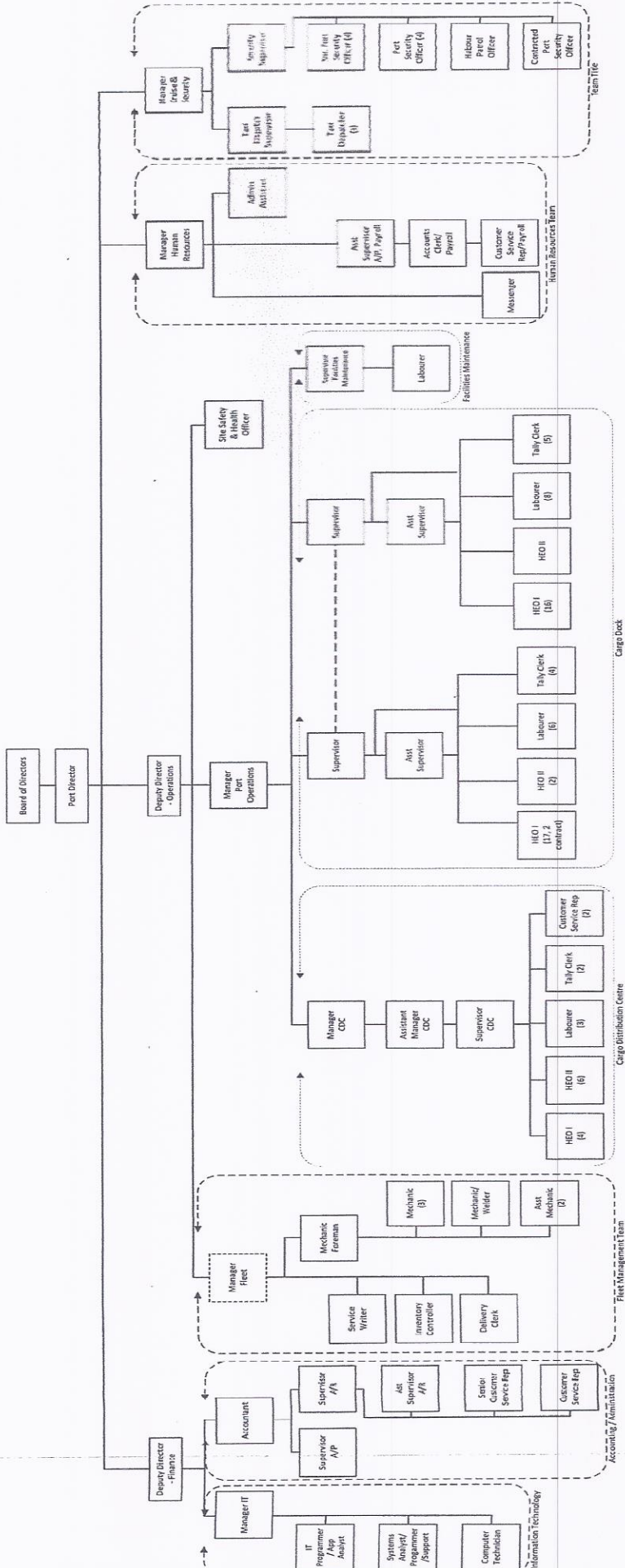
Once the current organisational structure was understood, Deloitte, using the Organisation Design Framework, identified internal and external factors driving the need for this organisational structure review. These drivers included the need for an organisational structure to align with the new vision, mission, SPAs, and values of the PACI, a desire to improve efficiency and effectiveness in the areas of management and operations, and a need to effectively manage the needs and expectations of the internal and external stakeholders.

The Deloitte team analysed and validated the perceived gaps in the current PACI organisational structure. Areas for improvement to the structure of the organisation and general PACI operations were noted, as were a number of strengths within the PACI that could be leveraged to meet their goals going-forward. Taking all of these factors into consideration, the analysis then looked forward, investigating international industry standards, trends for regional and international port authorities, and ways to address possible gaps that may arise in the future.

The next step in the approach was to suggest possible solutions to address identified gaps in the context of the organisational structure, while attempting to leverage the PACI's strengths, such as their drive to be proactive, their willingness to undertake change, having a high level of employee knowledge, experience, and tenure, their desire to implement internal changes by expanding the PACI's core departments (Cargo Operations, Cruise and Commercial), and identify efficiencies as well as resource constraints impacting the safety and effectiveness of the organisation's directives. Combining organisational design principles, and benchmarks from other international organisations, an organisational structure was developed, in consultation with the PSC and senior management, to address the stated objectives of the Project.



Figure 2: Current Organisational Structure



Data Analysis

After conducting interviews with internal PACI employees and external stakeholders, analysing results from the employee survey conducted, and reviewing applicable laws, and internal PACI documents, seventeen (17) categories areas for improvement and / or gaps (see **Figure 3**) in the PACI's existing organisational structure (as of the Phase I report issued in October 2015) emerged which were discussed in detail with the PSC.

Figure 3: Areas of Improvement / Gaps

Identified Areas of Improvement / Gaps (as of October 2015)	
Accountability and "ownership of duties"	Roles within the organisation
Communication and transparency	Safety, security and crisis management function
Compensation practices	Span of control
Decision making / Decision making authority	Span of interest
Department staffing levels	Strategic human resource management
Employees' ideas for improvement	Tools and resources
Enforcement of policies and procedures	Training and development opportunities for employees
Potential revenue streams	Working environment
Regulatory landscape changing	

1. Accountability and "ownership of duties"

There is a lack of accountability and "ownership of duties" resulting in a lack of effective procedures and controls to ensure accountability levels are maintained by all staff. Some groups feel there is a lack of accountability for decisions to be made and the Supervisors do not want to be held responsible for their decisions.

2. Communication and transparency

Employees perceive communication within the organisation is often non-existent and needs to be improved in order to build morale; any feedback which is received tends to be negative. Both internal and external stakeholder groups identified a break in the communication channel with the Ministry and the PACI, regarding the port redevelopment project.

3. Compensation practices

Some groups feel the compensation practices are not fair due to variances in paid vacation hours versus hours actually worked, the assumption of responsibilities outside of their current role, and overtime reports not being reviewed or submitted in a timely manner.

Additionally, some groups do not believe their compensation is internally equitable or externally competitive.

4. Decision making / Decision making authority

There is a lack of decision making, and in some cases decision making authority, at the supervisory level resulting in Supervisors who cannot make decisions or provide effective leadership and Managers who are having to make supervisory level decisions in addition to managerial decisions. In some cases, Managers, Supervisors, and Staff fail to take responsibility for decisions for fear of being reprimanded for an incorrect decision which can lead to delays in decision making.

5. Department staffing levels

In trying to balance between having the resources to perform effectively when activity at the port is at peak levels, due to an increased number of ships in port at one time and other factors, and when port activity is at a minimal level, has resulted in a lack of appropriate staffing levels which leads to sub-optimal job execution / performance as employees are required to assist in many areas and cannot focus on their core job duties. This places constraints on staff especially during vacation or sick leave. The understaffing further compromises safety.

6. Employees' ideas for improvement

Staff feel the ideas brought before management to improve the organisation are given no consideration.

7. Enforcement of policies and procedures

Stakeholder perception indicates current practices do not allow for consistent and adequate enforcement of policies and procedures. A lack in both management oversight and enforcement of operations may allow employees to violate policies and procedures.

8. Potential revenue streams

Stakeholders commented that the PACI has failed to exploit potential revenue-generating ventures to further support the business. Examples include building relationships with cruise lines to better understand the cruise industry and factors influencing cruise visitor statistics, implementing fees for fuel distribution and waste disposal, and managing the Safe Haven marina property effectively.

9. Regulatory landscape changing

The impending International Maritime Organisation ("IMO") assessments of adherence to the IMO's standards beginning in 2017, including Port State Control ("PSC") functions, a key measurement of the IMO assessment, are critical items of focus that will require additional changes to the organisation to properly address. Additionally, there are legal framework aspects that will need to be addressed in relation to the Maritime Authority of the Cayman Islands ("MACI") and the PACI to ensure there is proper segregation of accountabilities for the IMO standards as appropriate for each authority.



10. Roles within the organisation

To support the PACI in achieving its business aims, some groups feel there is a need for a centralised procurement function, general maintenance function, and a designated business development and marketing role to handle commercial opportunities. Based on the knowledge of the PACI operations and the current organisational structure, missing positions also include, for example: a Harbour Master, Engineer, Business Development / Marketing Manager, a Facilities & Special Projects Manager, and potentially a Project Manager for future port development.



11. Safety, security and crisis management function

Unclear protocol for crisis management and incident response was a common theme received from stakeholder consultations. Additionally, a lack of training for proper crisis management was noted. Staff feel the working environment is unsafe and could be improved but budget constraints have halted infrastructure improvements and sufficient lighting for night operations. At the time of the review, the incumbent Safety Officer was unavailable to all shifts and was in need of additional training specific to safety and security of a seaport.

12. Span of control

The senior management structure of the organisation is currently too narrow and requires too wide a span of control over the operations per member. Stakeholders feel that there should be a separation of management's responsibilities to improve the operational performance and efficiency.

13. Span of interest

Stakeholders feel the requirements, roles and responsibilities of various leadership positions are too broad and not covered in current job descriptions leading to inefficiencies and lack of accountability.

14. Strategic human resource management

A Human Resources department that is administratively focused, with little to no strategic direction, has led to several employee relations, and training and development issues. Employees feel there is no effective performance management system or procedures to assist with career development, and no set performance benchmarks to clarify performance expectations across the organisation. Further, the lack of an incentive or rewards programme to motivate and / or recognise staff leads to a workforce that is unmotivated to excel. Feedback from internal stakeholders also revealed a need for a long term recruitment / retention or succession plan, comprehensive disciplinary procedures as well as job descriptions and job titles representative of an employees' current role.

15. Tools and resources

Lack of tools and resources that would allow jobs to be performed safely, efficiently and effectively leads to inefficiencies and safety risks. For example, it is reported that the machinery / equipment currently being used for operations at the dock and Cargo Distribution Centre ("CDC") is often required to lift containers that are above safe operating weight for the equipment which places stress and wear on the machinery.



16. Training and development opportunities for employees

Some employees perceive Managers do not want to provide them with training and development as they will become a threat to managerial level jobs. Employees feel they need training, cross-training and refresher courses to continue to effectively and efficiently perform their duties and cover additional responsibilities when required. Some employees are paying for their training out of pocket.

17. Working environment

Internal stakeholders feel the elements of the working environment could be significantly improved, especially from a safety perspective. Examples included: Surface of the CDC yard, Operating space at the George Town port, Surface of the pier, and issues with overcrowding when large numbers of cruise ships are in port.

Proposed Organisational Structure

Guiding Principles

In keeping with the PACI's desire to be a proactive, strategic, and forward-thinking organisation, designing alternatives to the current PACI organisational structure must be based on sound design principles.

Organisational design principles, in theory, ensure all organisation drivers (both internal and external) are met and are appropriately balanced. Design principles considered when creating the proposed PACI organisational structure design included those listed in **Figure 4**.

Figure 4: Organisational Design Principles

Organisational Design Principles
Alignment with strategic objectives
Simplicity
Layers of supervision
Span of control
Span of interest
One-over-one
Complement
Decentralisation of authority

1. Alignment with strategic objectives

Every segment of the organisation should be designed and maintained as a means of achieving part of the PACI's overall mission. Striving for alignment with strategic objectives was a major consideration in the proposed organisational structure.

2. Simplicity

The organisation should be kept as simple as possible.² Simplicity in the case of the PACI, in comparison to the current structure, could be achieved through clearer definition of roles and responsibilities, and adhering to the other design principles listed herein.

3. Layers of supervision

The number of layers of supervision should be kept to a minimum to ensure the shortest vertical distance between the Port Director and employees having no direct reports. According to industry recognised organisational design practices, supervision should not exceed five layers in any organisation to ensure inefficiencies and redundancy of effort are minimised. At present, the current PACI structure is operating

²Simplicity refers to the purpose of organising which is to accomplish the corporate mission, which can be accomplished economically and expeditiously when procedures are understood, flexibility and balance exist, communications are swift, decisions are correct, accountability is established and there are hospitable environments for people.

in some instances with six layers of supervision, which encourages sending communication upwards as opposed to making decisions as close to the issue as possible. The proposed organisational structure will strive to streamline the number of layers of supervision, while still ensuring appropriate levels of authority.

4. **Span of control**

The span of control should be as broad as possible without sacrificing efficiency. However, there is a limit to the number of positions one person can effectively supervise at each layer of supervision. Industry recognised practice design indicates a person should have no more than four (4) to six (6) direct reports, depending on the level of supervision or involvement required.

5. **Span of interest**

This is the number of functions to which one specific employee is assigned (e.g., a manager responsible for Policy Development, Finance, and Human Resources would be responsible for three (3) functions).

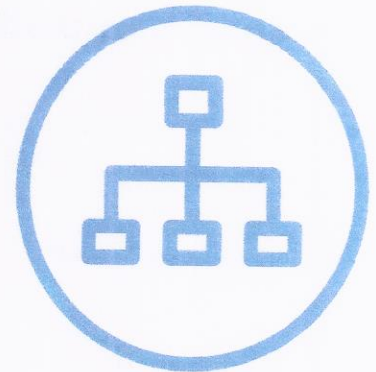
There is a limit to the number of functions for which a supervisor can be responsible. This is an area of concern for the PACI, particularly within the Operations division (e.g. The Deputy Director of Operations inability to contribute to the strategic objectives of the PACI due to involvement in day to day matters with Fleet Management, the CDC, Cargo Dock and Facilities Maintenance, etc.). Roles in the recommended structure will be tailored to provide alternatives to the span of interest, currently perceived as being too large for some employees to perform, and highlights safety concerns for the PACI.

6. **One-over-one**

A supervisor should have more than one direct subordinate. The PACI's current organisation design is indicative of a one-over-one structure and requires flattening in the area of direct reports as this can lead to an extension of response time from higher authority levels, and also hinders the communication process to lower levels. Additionally, the one-over-one principle also indicates that the inclusion of assistant supervisor positions can create an issue where the division of authority becomes cloudy; some examples of this within the PACI include the Assistant Supervisor of the Cargo Dock and the Assistant Supervisor Accounts Payable ("A / P"), and Payroll.

7. **Complement**

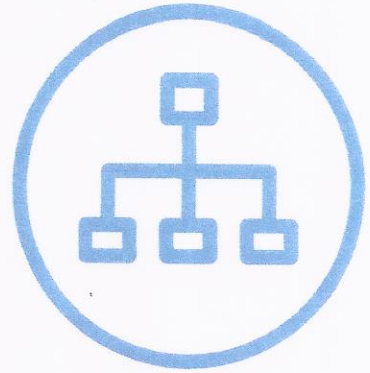
The control of a complement of staff should begin with the "first line" supervisor. This individual should ensure there is a sufficient number of staff to delegate, review and coordinate work. These complements should be staffed to handle average workloads over a given period of time and should not be based on peak demand. The existing structure



should also be monitored regularly to detect activities that are no longer necessary.

8. Decentralisation of authority

The responsibility for making a decision should be placed as far down in the organisation as is appropriate, without jeopardising accountability, so that decisions can be made at the level in the organisation where the work is being performed and the facts are known. The PACI, as highlighted above, struggles with the decentralisation of authority. This could be closely linked to organisational culture, individual personalities, or perceptions of competency at various levels of the organisation. Regardless, various internal stakeholders, and in particular some managerial staff, are frustrated with the centralisation of authority, further compounding the perception of "inefficient and ineffective communication" at various levels.



Each of these design principles were taken into consideration in the development of the recommended organisational structure. These principles were evaluated against industry standards and practices, for further validation, to note any variances, and to research various approaches to designing organisation structures that adhere to those principles.

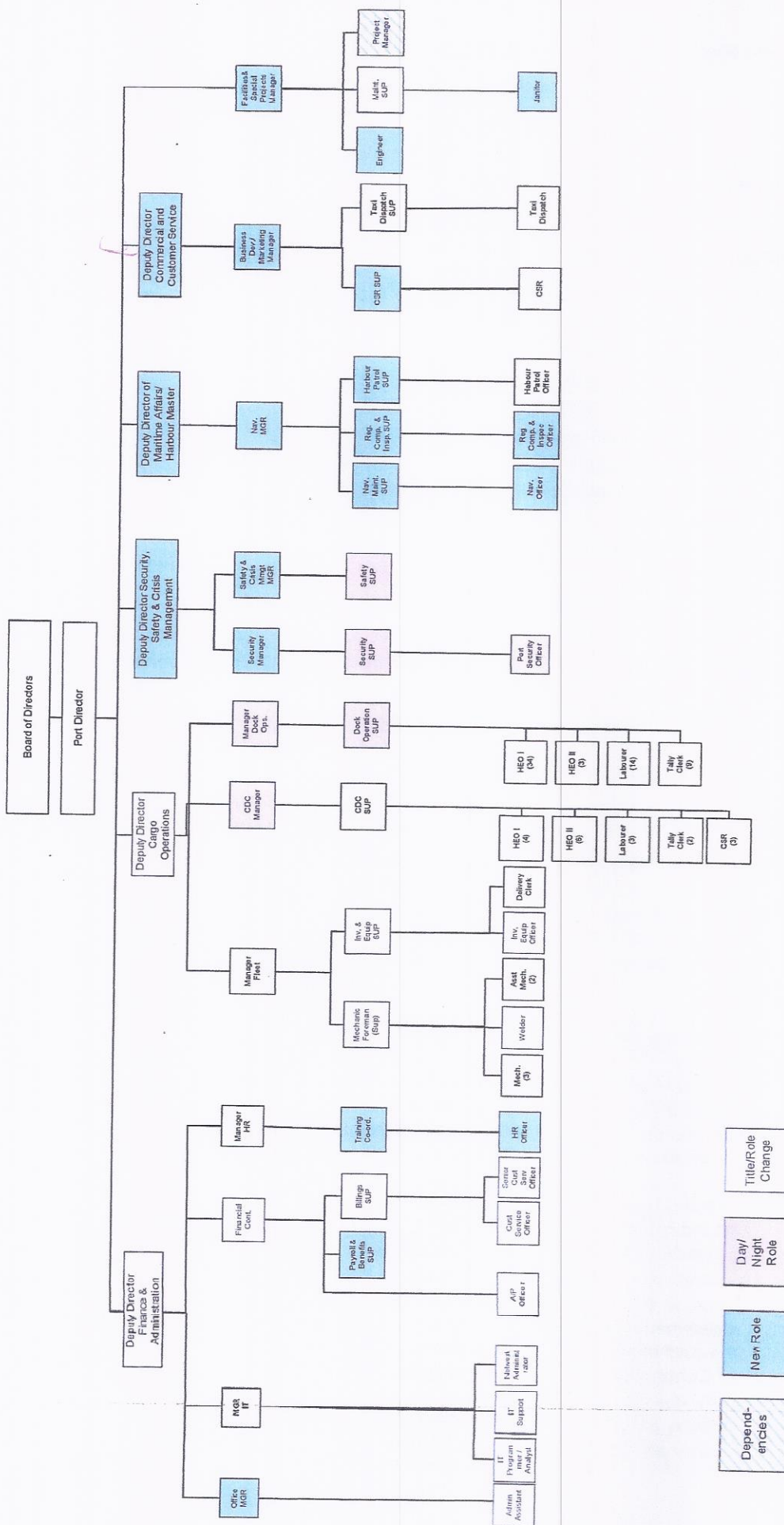
Proposed Organisational Structure

The proposed organisational structure (see **Figure 5**) was developed with the main purpose of delivering the objectives of the Project. The recommendations possess a number of relationships that Deloitte believes are critical to the success of the PACI, particularly as the PACI attempts to close identified gaps and to ensure compliance with international standards and regulations in port management.

Critical changes to the structure include the increase in the number of Deputy Director roles in the organisation from the current two (2) to five (5). This change allows for the proper alignment and segregation of duties and responsibilities in order to reduce both span of control and span of interest issues. It offers improvement on executive management efficiency and allows the Port Director to focus on the strategic direction of the PACI.

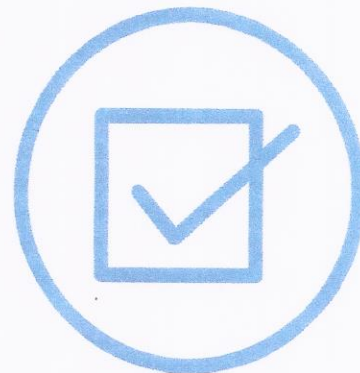
Among the new Deputy Directors and their associative departments are three (3) which directly address items indicated above: Security, Safety & Crisis Management; Maritime Affairs / Harbour Master; and Commercial and Customer Service. The Deputy Director of Maritime Affairs / Harbour Master and their department, for instance, is structured to properly address items included in the pending IMO assessments as well as properly align personnel for handling the large scope of duties incumbent in the Harbour Master domain. The Deputy Director of Commercial and Customer service, and department, align to the Diversity of Revenue Streams SPA of the organisation while the Deputy Director for Safety, Security & Crisis Management is critical to address the current gaps in security and safety as well as lower the risk profile of the organisation.

Figure 5: Proposed Organisational Structure



Additional Recommendations from Phase I

There are a number of elements of the PACI's organisation that were not included in the scope of this Project review process. These additional recommendations are areas related to organisational re-design processes outside the scope of this Project and can also be used to close gaps not directly related to the organisational structure design but which were identified during our data gathering and analysis exercise.



1. Comprehensive role review, including:

a. Job Analysis

Based on the surveys and interviews conducted, it was noted that job descriptions are not reflective of employees' current job roles. As a result, job analyses will allow for the identification of the duties and responsibilities of each role within the organisation, and assist with identifying the knowledge and skills required to perform these roles successfully.

b. Skills Gap Analysis

The task of identifying the most appropriate roles for current employees is a significant part of the implementation process. The skills gap analysis will identify the knowledge and skills of each employee as it relates to their assigned job roles and compare their skills against the requirements identified in the job analysis. This process will identify any skill gaps in current job roles and allow for re-alignment of employee skillsets to appropriate roles and / or additional training opportunities.

c. Succession Planning

In addition to identifying the skills that are required and are currently available in the organisation, it is also necessary to identify, mentor and develop talented individuals to replace key persons within the organisation upon retirement, departure, promotion, etc. Succession planning will ensure seamless transitions of key individuals into roles within the organisation.

2. Human Resource Development, including:

a. Learning and Development

The interviews and surveys conducted revealed that continued learning and development was not a main consideration in the developmental plans of some employee groups. An established learning and development process should be implemented which can help to improve the level of knowledge and skills throughout the organisation and, ultimately, the productivity within the organisation.

b. Recruitment

The interviews conducted with internal employees revealed there are currently key strategic roles within the organisation not being effectively performed and key roles that are missing within the organisation. An established recruitment process should be implemented to ensure key roles are appropriately filled, and should include oversight from management to ensure the individual(s) recruited will work towards fulfilling the strategic vision and mandate of the Board and the PACI.

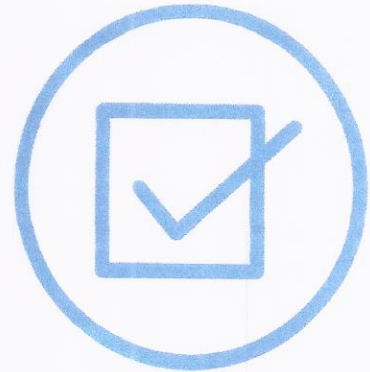
3. Working Culture

Employee surveys and interviews revealed there is currently discord among employees due to the perception of an 'Us vs. Them' mentality, and lack of trust throughout the organisation. The Board and Management should conduct organisational change sessions with all employees to obtain buy-in on the need to change the corporate culture to one of collective responsibility in delivering the strategic goals of the organisation.

4. Internal Processes and Controls

Based on the interviews and surveys conducted it was identified there are currently ineffective and insufficient processes and controls in some areas. It is recommended that strengthening of the internal control environment will assist with increasing accuracy and validity of data, enhancing efficiencies in internal processes, and decreasing risk to the organisation by ensuring effective controls are being administered.

The proposed organisational structure was presented to the Board and accepted, and thereby became the Target Operating Model ("TOM").



Phase II: Job Evaluation, Market Pricing, and Salary Structure³

Phase II of the Project was to conduct a salary review that encompassed analyses of jobs within the PACI as well as comparative market analysis of salaries and benefits across local industries and external port bodies.

Phase II consisted of three (3) workstreams:

- Workstream 1: Job evaluation;
- Workstream 2: Market pricing; and
- Workstream 3: Salary structure and scale development.

Workstream 1: Job Evaluation

The Job Evaluation Committee ("JEC") was established and determined the nine (9) job factors and factor weightings of the Job Evaluation ("JE") Tool used in this Workstream (see **Figure 6**). Each of the 61 positions reviewed were allocated scores in line with the new JE Tool developed by the JEC. As a result of the "Sore Thumb" sessions, a new Classification Model and recommended, point based job bands were developed. Workstream 1 was delayed from 1st May 2016 to 16th September 2016 for the JEC to update the job descriptions for 59 of the 61 positions in the PACI structure, as they were determined to be inaccurate at the beginning of the Workstream. Accurate job descriptions were necessary to begin Workstream 1. The scoring results are outlined in **Figure 7**.

Figure 6: PACI Job Evaluation Factors with assigned weightings

JE Factors	Weight
Experience	10%
Complexity	10%
Accountability / Decision Making	10%
Impact	15%
Knowledge	15%
Interpersonal Skills	10%
Concentration	10%
Supervisory Responsibility / Development & Leadership of Others	10%
Responsibility for Financial / Material Resources	10%

³ See Appendix 2 for full Phase II report.



Figure 7: PACI Job Evaluation Score Results

Position Title	JE Total Points
Port Director	1408
Deputy Director - Cargo Operations	1254
Deputy Director - Security, Safety & Crisis Management	1242
Deputy Director - Finance & Administration	1233
Deputy Director - CLO	1182
Deputy Director Commercial and Customer Services	1165
Deputy Director of Maritime Affairs / Harbour Master	1149
Manager - IT	1142
Deputy Director - CHRO	1136
Manager - Fleet	1118
Security Manager	1092
Manager - Business Development / Marketing	1083
Safety & Crisis Management Manager	1058
Financial Controller	1050
Manager - HR	1045
Deputy Director - COO	1000
Manager - Facilities	992
Navigation Manager	980
CDC Manager	969
Manager - Dock Operations	969
Mechanic Forman (Supervisor)	889
Office Manager	889
Security Supervisor	886
Billings Supervisor	839
Harbour Patrol Supervisor	827
Maintenance Supervisor	827
Customer Service Representative Supervisor	823
Safety Supervisor	811
Training Co-ordinator	788
Inventory & Equipment Supervisor	782
Dock Operations Supervisor	779
IT Programmer / Analyst	769
Network Administrator	769
Navigation Maintenance Supervisor	757
Regulations Compliance & Inspection Supervisor	743
Mechanic (3)	739

Position Title	JE Total Points
Fleet Mechanic (same as Mechanic)	739
CDC Supervisor	724
A / P Officer	719
Heavy Equipment Operator I - Crane Operator	695
Payroll & Benefits Supervisor	690
Taxi Dispatch Supervisor	677
Welder / Fabricator	673
Finance Manager	656
Delivery Clerk	655
IT Support	632
HR Officer	627
Heavy Equipment Operator I - Large Forklift (Day)	605
Heavy Equipment Operator I - Large Forklift (Night)	605
Senior Customer Service Officer	604
Heavy Equipment Operator I - Trucker (Night)	563
Port Security Officer	558
Assistant Mechanic (2)	550
Customer Service Representative (2)(3 per CR)	542
Inventory Equipment Officer	537
Navigation Officer	525
Harbour Patrol Officer	525
Admin Assistant	520
Heavy Equipment Operator II - Small Forklift (Day)	505
Regulations Compliance & Inspection Officer	487
Taxi Dispatcher	487
Customer Service Officer (F&A)	471
Customer Service Representative (C & CS)	471
Tally Clerk (2)	450
Tally Clerk (9)	450
Heavy Equipment Operator II - Small Forklift (Night)	442
Janitor	438
Receptionist	432
Labourer (Night)	338
Labourer (Day)	300
Project Manager	#N/A
Engineer	#N/A
Events Manager	#N/A

Highlighted positions were reviewed as part of an addendum to the project and were not included in the previously approved TOM. Job descriptions were not available for evaluation of the positions of Project Manager, Engineer, and Events Manager.

Workstream 2: Market Pricing

Salary and benefits data from two (2) overseas port authority/operator bodies were benchmarked along with data from the Chamber of Commerce 2015 salary and benefits survey, Cayman Islands Government Portfolio of the Civil Service 2016 salary data, data from two (2) local construction companies, and data from the United States of America (coastal and port cities). A comparison of the salaries of the PACI for each position were compared to the market benchmark data. The analysis is included in **Figure 8**.

Figure 8: PACI Salary Market Benchmark Comparison

Post	L/A/H	% Over/Under	Post	L/A/H	% Over/Under
Port Director	In-Range		Supervisor CDC	Above Max	82%
Deputy Port Director Operations	In-Range		A/P Officer (A/P supervisor)	In-Range	
Deputy Port Director - Finance	Above Max	3%	Heavy Equipment Operator I - Crane	Above Max	58%
Manager, IT Services	In-Range		Payroll and Benefits Supervisor	N/A	
Manager, Fleet	Above Max	40%	Taxi Dispatch Supervisor	Above Max	46%
Security Manager	Above Max	54%	Welder / Fabricator	Above Max	48%
Manager - Business Development and Marketing	N/A		Delivery Clerk	Above Max	22%
Safety & Crisis Management Manager	Above Max	35%	IT Support	In-Range	
Financial Controller (Accountant)	Above Max	18%	Human Resource Officer	N/A	
Human Resource Manager	Above Max	63%	Heavy Equipment Operator I - Large Fork (Day)	Above Max	58%
Facilities Manager	Above Max	14%	Heavy Equipment Operator I - Large Fork (Night)	Above Max	58%
Navigation Manager	N/A		Senior Customer Service Representative/officer	Above Max	21%
Manager - Dock Operations	Above Max	80%	Security Guard / Officer	Above Max	10%
Manager, CDC	Above Max	56%	Assistant Mechanic	Above Max	1%
Mechanic Foreman (Supervisor)	N/A		Inventory & Equipment Officer	N/A	
Office Manager	Above Max	59%	Harbour Patrol Officer	In-Range	
Security Supervisor	Above Max	29%	Navigation Officer	N/A	
Billing Supervisor (A / R Supervisor)	In-Range		Administrative Assistant	Above Max	52%
Harbour Patrol Supervisor	N/A		Heavy Equipment Operator II - Small Fork (Day)	In-Range	
Facilities Maintenance Supervisor	In-Range		Regulations Compliance and Inspection Officer	N/A	
Customer Service Representative / Officer Supervisor	N/A		Taxi Dispatcher	Above Max	33%
Safety Supervisor	In-Range		Customer Service Representative/officer (C&CS) (F&A)	In-Range	
Training Coordinator	N/A		Customer Service Representative/officer	In-Range	
Inventory & Equipment Supervisor (Inventory Controller)	In-Range		Tally Clerk	In-Range	
Supervisor Operations Dock	Above Max	3%	Heavy Equipment Operator II - Small Fork (Night)	In-Range	
IT Programmer / Applications Analyst	In-Range		Janitor	In-Range	
Network Administrator (Systems Analyst)	Above Max	27%	Receptionist	In-Range	
Navigation Maintenance Supervisor	N/A		Labourer (Night)	In-Range	
Regulations Compliance and Inspection Supervisor	N/A		Labourer (Day)	In-Range	
Mechanic	In-Range		Engineer	N/A	
			Project Manager	Below Min	-7%

Workstream 3: Salary Structure and Scale Development

Based on the information accumulated and analysed in Workstreams 1 and 2, a multi-band salary structure recommendation was developed providing for clear salary steps based on the Job Evaluation ("JE") scores (see **Figure 9**). Additionally, an analysis of the current salaries in the PACI is outlined compared to the recommended salary bands (see **Figure 10**).

Figure 9: Recommended Salary Scale Model

Band	Step	1	2	3	4	5	6	7	8	9
10	Score	1375	1396	1417	1438	1459	1480	1500	S1	S2
	Salary	\$148,000	\$154,500	\$161,000	\$167,500	\$174,000	\$180,500	\$187,000	\$193,500	\$200,000
9	Score	1225	1250	1275	1300	1325	1350	1374	S1	S2
	Salary	\$114,700	\$119,738	\$124,775	\$129,813	\$134,850	\$139,888	\$144,925	\$149,963	\$155,000
8	Score	1100	1121	1142	1163	1184	1205	1224	S1	S2
	Salary	\$ 88,800	\$ 92,700	\$ 96,600	\$100,500	\$104,400	\$108,300	\$112,200	\$116,100	\$120,000
7	Score	975	996	1017	1038	1059	1080	1099	S1	S2
	Salary	\$ 69,190	\$ 72,229	\$ 75,268	\$ 78,306	\$ 81,345	\$ 84,384	\$ 87,423	\$ 90,461	\$ 93,500
6	Score	850	871	892	913	934	955	974	S1	S2
	Salary	\$ 53,895	\$ 56,262	\$ 58,629	\$ 60,996	\$ 63,363	\$ 65,731	\$ 68,098	\$ 70,465	\$ 72,832
5	Score	750	767	784	801	818	835	849	S1	S2
	Salary	\$ 43,660	\$ 45,578	\$ 47,495	\$ 49,413	\$ 51,330	\$ 53,248	\$ 55,165	\$ 57,083	\$ 59,000
4	Score	650	667	684	701	718	735	749	S1	S2
	Salary	\$ 33,300	\$ 34,763	\$ 36,225	\$ 37,688	\$ 39,150	\$ 40,613	\$ 42,075	\$ 43,538	\$ 45,000
3	Score	500	525	550	575	600	625	649	S1	S2
	Salary	\$ 28,120	\$ 29,355	\$ 30,590	\$ 31,825	\$ 33,060	\$ 34,295	\$ 35,530	\$ 36,765	\$ 38,000
2	Score	350	375	400	425	450	475	499	S1	S2
	Salary	\$ 22,200	\$ 23,175	\$ 24,150	\$ 25,125	\$ 26,100	\$ 27,075	\$ 28,050	\$ 29,025	\$ 30,000
1	Score	187	214	241	268	295	322	349	S1	S2
	Salary	\$ 15,000	\$ 15,938	\$ 16,875	\$ 17,813	\$ 18,750	\$ 19,688	\$ 20,625	\$ 21,563	\$ 22,500

Phase II Recommendations, including:

1. Amend the PACI salary scales in line with the organisation's culture, compensation philosophy, and common practices;
2. Enhance the Compensation Policy with the development of a Pay Policy Guide to provide clear direction to both the employee and employer on how an employee should be placed on the band and the movement within;
3. Reclassify each employee in line with the new scales, the PACI's Pay Policy Guide, and the budget of the PACI;
4. Ensure performance management is performed by the PACI leadership for all employees annually; and
5. Conduct annual Employee Engagement/Pulse Surveys.

Phase III: Implementation of Refined Structure⁴

Phase III consists of four (4) steps, the first two (2) included in the scope of the Project.

Step 1: Leadership Alignment;
 Step 2: Business Review;
 Step 3: Staffing and Selection Process (not included); and
 Step 4: Workforce Transition Strategy (not included).

Step 1 of this phase of the Project was performed throughout the Project, identifying the current readiness of the members of the PACI's management team to champion the organisational changes.

Deloitte recommended a communication approach and plan to ensure leadership buy-in to the changes as well as leadership training for the management team. See **Appendix 5** for the communication strategy.

At the direction of the PSC, Deloitte facilitated three Leadership Core classes for the PACI management team (managers and supervisors). See **Addendum 3** on page 23 for further details.

Step 2 included a comparison of the incumbent salaries against the recommended salary scale model to provide the PACI a high level view of the current state of salaries compared to the recommended salary bands. This analysis can be used in combination with the PACI's Pay Policy Guide to make salary decisions. The status of each incumbent salary position compared to the target salary band ("Band Delta") for the incumbent's position is outlined below in **Figure 10**.

Figure 10: Incumbent Salary Band Analysis

Incumbent Salaries - Band Analysis		
Band Delta	# of Incumbents	% of Incumbents
-1	1	1%
0	5	4%
1	24	18%
2	69	51%
3	28	21%
4	7	5%

"Institutions can provide the engine for change but only individuals can supply the fuel."
 – Alan MacGibbon

⁴ See Appendix 3 for full Phase III report.

Phase IV: Executive Recruitment

Phase IV of the Project, which was conducted in parallel with Phase I, revolved around Deloitte facilitating the recruitment of a new Port Director for the PACI. Deloitte performed the following as part of Phase IV:

1. Provide executive recruitment guidelines to the PACI (see **Appendix 6**);
2. Developed a job description for the Port Director role;
3. Developed a job advertisement for the Port Director role;
4. Facilitated the recruitment process for the Port Director role, including:
 - 4.1. Advertising the job;
 - 4.2. Collecting candidate information and evaluating for fit;
 - 4.3. Short listing of candidates for Port Director role for PSC Members' decisioning;
 - 4.4. Facilitated interviews of all short listed candidates; and
 - 4.5. Drafted offer letter and employment contract.

Additionally, Deloitte assisted the PACI with recruitment services (see **Addendum 1** on page 24) for three additional leadership positions.

Addenda

The following addenda were requested by the PSC throughout the duration of the Project:

- Addendum 1: Recruitment of Deputy Director Cargo Operations, Facilities Manager, and Office Manager;
- Addendum 2: Job Description Committee Facilitation;
- Addendum 3: Leadership Training; and
- Addendum 4: Job Evaluation Committee Facilitation for additional positions.⁵

Addendum 1: Recruitment results for Addendum 1 are as follows:

1. Deputy Director of Cargo Operations – not filled by this recruitment process;
2. Facilities Manager – filled; and
3. Office Manager – filled.

Addendum 2: The facilitation was completed successfully with the Job Description Committee, comprised of the same members as the JEC, developing updated job descriptions for 59 of the 61 positions being evaluated by the JEC. Deloitte provided quality assurance activities and ensured a knowledge transfer during this process to ensure ongoing capability at the PACI.

Addendum 3: Leadership training was conducted at the request of the PSC for members of the management team (see **Figure 11**) at the manager and supervisory levels, in alignment with the SPAs and taking into consideration the themes identified during Phase I. The training consisted of three (3) Leadership Core classes including:

1. Getting Started as a New Leader;
2. Art of Coaching; and
3. Resolving Conflict.

Addendum 4: The facilitation activities were completed at the request of the Board, where Deloitte convened and facilitated a second round of JEC evaluations for six (6) new positions at the PACI. The results of the JEC evaluation were combined with the Phase II results and presented to the PSC. New members of the JEC were trained on the Job Evaluation Tool developed during Phase II, as well as the Job Evaluation process, to ensure ongoing capability of the PACI JEC team.

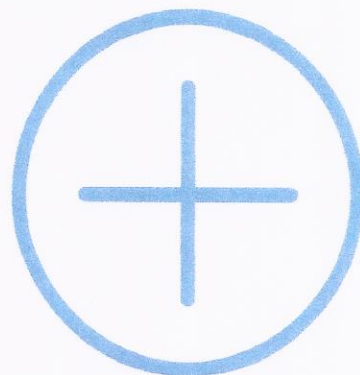


Figure 11: Leadership Core Attendees

PACI Leadership Core Attendees
Bruce Reynolds
Chris Krohn
Courtney Wisdom
Dale Christian
Joseph Woods
Sandra Barnett
Willem Jacobs

⁵ See Appendix 4 for Full Addendum 4 report.



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