



Bi-Monthly Newsletter

Bank Watch 360°



Caribbean Association of Indigenous Banks Inc.

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Bank of St Vincent now a Reality!!!

A HAPPY WORKER, A PRODUCTIVE WORKER Part 2

(Opening Remarks by Dr. DeLisle Worrell, Governor of the Central Bank of Barbados—Delivered at the Human Resource Management Association of Barbados, Breakfast Seminar (26/01/11))

(A continuation from Volume 01)

We don't really care about them as persons, how they feel about themselves, their aspirations, their insecurities, their outlook on life, who they really are.

Our current approach to management manifestly does not work in today's Barbadian society. In Government and the private sector we continue to roll out increasingly sophisticated performance appraisal systems, which take account of all the soft skills as well as technical and administrative competencies. A significant minority of workers score very well in these assessments, but seldom do the quality and timeliness of the output of the organisation improve to an extent that the average customer can attest to. It remains the case that companies and government departments that provided efficient services before the introduction of sophisticated worker appraisal techniques by and large continue to be efficient, and those that were not efficient continue to bear the brunt of frequent complaint.

The reason for the disconnect between appraisal and output is the fact that managers worry about the output, when they really need to worry about the people producing the output. That is the essence of my message. The key to productivity is the full engagement of the producers in what is delivered. That level of commitment will be forthcoming only when the worker is fully persuaded of the objectives of the firm or unit, and fully comfortable with their role in the execution of those objectives. The manager's task is to persuade everyone to come on board, to internalize the group objectives, and to work together

with the team to bring those objectives to fruition. This alternative approach to management has practical implications, for managers and workers. The manager is leader, guide, coach and source of inspiration for his or her team. She or he knows team members' strengths and weaknesses, and works to fit the team together as a unit that is more than the individual members. The manager's job is to make the team gel, to work with those who are having difficulty, to manage interpersonal dynamics, to build trust, and cooperation among team members. The best way to build a winning team is to secure the enthusiastic commitment of all of the players. In much the same vein, the best way to achieve the company objectives is for managers to secure the enthusiastic commitment of workers to those objectives. There are many ways in which this can be done, by inviting suggestions for programmes, procedures and processes; by showing genuine appreciation for input, ideas, thoughts and feedback; and by finding avenues for the creativity and talents of staff.

In contrast, much HR practice seems to encourage managers to set objectives, parcel them out among workers, and check periodically on who has achieved what. At each check point the manager decides what remedial action is needed, if necessary; then at year end everybody is scored against their worksheet, and gets a pay increase that depends on their score. Anyone, who thinks that this arrangement can produce results does not really understand how to manage for success. Those of you who have tried in vain to make systems of this kind work can attest to their many weaknesses. Despite these weaknesses, performance appraisals of this kind remain very popular, and some appear to believe that they are state of the art. Sadly, in this as in so many areas of expertise, Barbados continues to lag behind leading intellectual currents in the HR profession, where there is great ferment because of the evident failure of this approach to management.

Managers need to start thinking of themselves as captains of sports teams, rather thanCon't on pg2

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captains of companies of infantry. The outstanding sports captain – think Frank Worrell – is leader, coach, mentor, advisor, and general source of guidance and support for all the team members. The team is composed of individuals, and in the kind of world class team we all wish to build, many of those individuals will be socially challenged, and will need to be brought into line; but that is nobody's business but the team's. The captain and the team must together work on a resolution of those conflicts which makes the whole team a stronger unit. Those conflicts, and their resolution, are things that the rest of us should get to know about only much later, in casual conversation over drinks, when the matter has long been resolved. There are other things that need to be in place to build a world class team, such as a selection process that provides the team with an appropriate mix of skills for the job at hand. Once he has such a properly balanced team, it is the manager's task to mold it into a cohesive unit that achieves the company's objectives. That can be done only through interaction at a personal level.

Barbados is challenged to provide internationally competitive services in an increasingly crowded market, in tourism, in international business and financial services, and in the production and export of rum, sugar and other agricultural and manufactured goods. The best way to cement our reputation in the international market is by the quality and professionalism of our production and services. This requires appropriate training to continually build and refresh the pool of relevant skills, as is well recognized. What is not so well understood is how best we may manage those skills, so that they deliver quality products and services. It begins, I submit, with the recognition that the happy worker is the most productive worker, and a charge to managers to focus on building team spirit, as well as ensuring that the players are well trained and physically and emotionally fit.

See, for example, Helliwell, John F. (2006), *Well-Being, Social Capital and Public Policy: What's New?* *The Economic Journal* 116 (510), C34-C45; Samuel A. Culbert, *Get Rid of the Performance Review*, New York: Business Plus Books, 2010; FastCompany.com, "How to give good feedback," by Gina Imperato, August 31, 1998.

(Source: Central Bank of Barbados- 01/26/2011 www.centralbank.org.bb)

CENTRAL BANK REACTS TO DOWN- GRADED RATINGS BY INTERNATIONAL AGENCY

The Central Bank of Barbados (CBB) has reacted to the decision by Moody's Investors Services to downgrade the island's rating on its domestic debt as former Prime Minister Owen Arthur called for the resignation of Finance Minister Chris Sinckler and the CBB Governor DeLisle Worrell.

The rating agency downgraded Barbados' rating on its domestic debt

to Baa3 from Baa2 while it reaffirmed the Baa3 foreign currency debt rating, resulting in both Barbados' foreign and domestic debt bearing the same Baa3 rating and keeping the country in the investment grade category.

In a statement, the CBB said that the outlook on both ratings has been revised to negative, indicating that these ratings could be lowered in the next 12 to 18 months.

"Moody's cited its increasing concern about the capacity of the domestic market to continue to absorb the elevated issuance of Government debt, while at the same time the country's already large current account deficit is expected to increase further due to the recent rise in oil prices.

"In addition, the rating agency's view is based on the likelihood of a further deterioration in the Government's debt ratios, over the next year to year and a half," the CBB added.

The CBB said while it agrees that increasing financing pressure has been placed on the local financial market, given the level of liquidity in the market and the continued strong demand of institutional investors for domestic Government securities, "the Bank remains confident that the local market can accommodate the current and projected levels of Government debt issuance.

"Moreover, the amortization profile for Government's domestic debt portfolio is relatively smooth, with maturities mostly at the longer end of the maturity spectrum, which aids in ensuring that the domestic debt-service burden is not too onerous.

"Furthermore, based on Government's continued commitment to consolidate its fiscal position, which should be reflected in a lowering of the debt burden in 2012, the volume of net new financing from domestic entities is also expected to decline in the medium term, as reflected in Government's Medium Term Fiscal Strategy."

The CBB said that the sustainability of Government's efforts at fiscal consolidation will be conditioned by the gradual economic recovery that has already begun to take shape, coupled with gains from the revenue measures cited in the November 2010 Estimates and Budgetary Proposals.

"It is supported by an effective coordinated mechanism for monitoring the fiscal performance, which allows for the application of timely corrective measures. This is consistent with the proactive way in which Barbados has approached the recent economic challenges.

"In spite of rising oil prices, there remains no doubt about Government's ability to repay its foreign debt obligations, given that international reserves are currently in excess of 20 weeks of imports," the Central Bank said.

Meanwhile, Arthur is calling for the dismissal of the Finance Minister and the CBB Governor.

"I really believe someone has to be held accountable, and it is clear that this catastrophic failure reflects the failed policies of this Minister of Finance, and that the time has come to put an end to his amateur hour," Arthur told the NATION newspaper.

He said that to restore confidence, "those responsible for the mess, the Minister of Finance and the Central Bank Governor have to go".

(Source: June 15th, 2011-www.caribbeannewsnow.com)

BANK OF ST VINCENT & THE GRENADINES NOW A REALITY



Bank of St. Vincent and the Grenadines Limited, the newest subsidiary of East Caribbean Financial Holding Company (ECFH), is officially here. The formal launch took place on May 30th in the nation's capital, Kingstown and it marked the official transformation of the former National Commercial Bank (NCB) into the newly branded bank. Bank of St. Vincent and the Grenadines emerged from the acquisition of the former NCB by ECFH, a regional financial services group headquartered in Saint Lucia.

Under the tag line, 'The bank that gives me more', Bank of St. Vincent and the Grenadines promises a suite of innovative financial products and services that are tailored to meet the needs of its individual and business customers. The bank is keen to emphasise its commitment to the local community which it serves and that its capacity to do so has been enhanced considerably by the financial strength and expertise of its parent company, ECFH.

The highest standard of customer care and service is a top priority for Bank of St. Vincent and the Grenadines as it seeks to redefine the commercial banking landscape. The bank is poised to launch a major advertising campaign that includes television and radio commercials, billboards, brochures and other paraphernalia all in an effort to familiarize the public with its corporate identity and message.

Mr. Derry Williams is the Managing Director of Bank of St. Vincent and the Grenadines Ltd. and the Board of Directors which includes

Mr. Williams is comprised as follows: Errol Allen (Chairman), Andre Iton (appointed by ECFH), Evelyn Jackson (appointed by Government of Saint Vincent and the Grenadines), Judith Veira (Government of Saint Vincent and the Grenadines), Godwin Daniel (Government of Saint Vincent and the Grenadines), Victor Eudoxie (appointed by ECFH), Robert Norstrom (appointed by ECFH).

(SOURCE: June 16, 2011, www.caribbean360.com)

SAVE THE DATES:

**38th Annual General Meeting & Conference
of the Caribbean Association of Indigenous Banks Inc
November 16 to 19, 2011, SURINAME**

Under The Theme:

***"Growth and Profitability in the Banking Sector— Incorporating
Risk, Leadership, Ethics and Governance."***

Enterprise Wide Risk Management -Module 2 Training Workshop

***Bay Gardens – St Lucia
September 15. & 16, 2011***

***SECURE YOUR SEAT AT THE ERM
WORKSHOP, TODAY!!!***

HIGHLIGHTS FROM
**“KNOW YOUR CUSTOMERS– ANTI-MONEY
 LAUNDERING AND TERRORIST
 FINANCING”**
 held May 26 & 27, 2011 SAINT LUCIA



The feedback received at the recently concluded KYC– Anti Money Laundering and Terrorist Financing training workshop on May 26 & 27, 2011 at the Coco Palm Hotel in Saint Lucia, was a success and was well received by the participants. In numbers, there were twenty delegates from various business establishments both local and across the region.

The training workshop was facilitated by Ms. Michelle N. Martin, the founder of Compliance Aid. Ms. Martin has over seventeen years of experience in banking, insurance, regulatory compliance, public and private accounting. She is a Certified Anti-Money Laundering Specialist (CAMS) and founding co-chair of the ACAMS South Florida Chapter. Born and raised in Antigua, she started her financial career in Antigua with Canadian Imperial Bank of Commerce (CIBC). In 1996, Ms. Martin moved to Miami to pursue a higher education. She obtained a Bachelor in Accounting and a Master in Accounting Information Systems at Florida International University (FIU) in 2002. We look forward to working with Ms Martin.again.



*Know Your Customers– Anti-Money Laundering & Terrorist Financing
 Welcome address*



Group B– Getting down to business...



Group A– Having a beary discussion



Group B summarized what they have learned through Cahypso...



Group A summarized what they have learned through an Ex Tempo..

HIGHLIGHTS FROM “MANAGING PROBLEM LOANS” WORKSHOP held June 29 & 30 SAINT LUCIA



Based on the survey responses collected at the recently concluded Managing Problem Loans training workshop on June 29 & 30, 2011 at the Palm Haven Hotel in Saint Lucia. The training workshop was well received and met the expectations of all the participants. In total, there were twenty eight delegates from the following financial institutions; (Grenada Cooperative Bank Ltd, Eastern Caribbean Home Mortgage Bank, 1st National Bank St Lucia Ltd, St Christopher & Nevis Social Security Board, St Lucia Workers Credit Union Ltd, First Citizens Bank Ltd, Bank of Saint Lucia Ltd, Elk's City of Castries Credit Union and Financial Investment & Consultancy Services Ltd).

The training session was facilitated by Mr. Michael Willacy, of First Global Bank Ltd (Jamaica). Mr. Willacy has over 22 year's service in branch banking, credit and operations. He currently holds the position of Vice President of Credit and Corporate Banking. Mr. Willacy achievements include directing and monitoring the growth of the loan portfolio at FGB from approximately \$200 million to approximately \$4 Billion in 5 year. He achieved a Commonwealth scholarship to study decision support systems for Finance for six weeks at the institute of Financial Management and Research in India. He has been a part-time lecturer of Credit Analysis and Lending at the University of the West Indies since 2004. In 2003, he was recognized by the Department of Economics at the University of the West Indies-Mona for voluntary contribution to the development of students. Mr. Willacy has an MBA in Banking and Finance and a B.Sc in Economics and Management (Hons.) from the University of the West Indies. He also has several certificates in Securities Trading, Banking, Credit Risk Management and Decision Support Systems in Finance.

It was clear that some of the participants had vast knowledge in this area, as many shared their views and experience during the table discussions. To the end, many participants indicated that they were truly satisfied with the two day sessions and look forward to further training sessions from the Association.

