Mona School of Business
The University of the West Indies, Mona

Providing Training & Education
in Business & Finance

PROCEEDINGS

Caribbean Executive Leadership Series 2012

Executive Leadership Practices for the New Era of Financial Services

Edited by:
William W. Lawrence

Caribbean Executive Leadership Series 2012

Executive Leadership Practices for the New Era of Financial Services

Edited by
William W. Lawrence

This publication summarizes the proceedings of Caribbean Executive Leadership Series 2012 held in Kingston, Jamaica at the Terra Nova All Suite Hotel on February 8 & 9 and Strawberry Hill Hotel & Spa on February 10, 2012.

Caribbean Executive Leadership Series 2012

is a joint project of the

Mona School of Business, UWI, Mona and

The Jamaica Institute of Financial Services

Kingston, Jamaica W.I.

First published in Jamaica 2012 by

Mona School of Business

The University of the West Indies

Mona, Kingston 7

www.myspot.mona.uwi.edu.jm

ISBN 978-976-41-0247-2

Cover, book design and layout by Christopher Samuels
Printed in Jamaica by Mapco Printers Limited

CONTENTS

INTRODUCTION

Caribbean Executive Leadership Series 2012, a partnership between Mona School of Business (MSB), UWI and Jamaica Institute of Financial Services (JIFS), provided creative solutions for organizations engaged in financial services. This intensive three-day programme was designed to sharpen leadership skills for motivating organizational innovation, diversification and growth. The first five sessions discussed research articles prepared by top UWI faculty specifically for the sector. Participants then brainstormed the status and way forward for the Caribbean Financial Services sector during the sixth and final session.

This publication contains the five research articles plus a paper that integrates deliberations, from all six sessions, in a Balanced Scorecard Strategy Map for guiding organizations in the Caribbean financial services sector. Colin Bullock highlights important implications of some key global and domestic trends impacting the Jamaican financial system. Miguel Carrillo takes a critical look at the growth imperative and presents four provocative scenarios for leaders to consider. Neville Ying reviews several perspectives on leadership and evolves a practical approach for obtaining meaningful results. William Lawrence and Ralph Thomas show how to adjust supply chains for increased profitability. Evan Duggan and Maurice McNaughton provide invaluable insights on how to leverage information technology for sustainable growth. In the final paper, William Lawrence develops a Balanced Scorecard strategy map based on the deliberations at Caribbean Executive Leadership Series 2012.

While acknowledging the contributions of all authors, a special word of gratitude must be expressed to the hardworking teams from JIFS and MSB who were tireless in ensuring that the programme was a resounding success. Indeed, this publication is testimony that the collective effort has generated information for prosperity of the sector.

The Editor

REMARKS

Chair, Mona School of Business Board

"Executive Leadership Practices for the New Era of Financial Services"

The University of the West Indies Mona is pleased to partner with the Jamaica Institute of Financial Services (JIFS) to offer the Caribbean Executive Leadership Series 2012. The theme of this year's programme is *"Executive Leadership Practices for the New Era of Financial Services"*. This programme has been customized for you, leaders in the financial services.

How did this begin? The seed was sown when the innovative thinkers of JIFS' education committee recognized the need to enhance the leadership skills of its members, if the industry is to survive the turmoil in today's financial markets. Now more than ever, leaders need to have specific knowledge, driven by applied cutting edge global research in order to impact the organizations' bottom line. Leaders must acquire fresh strategic insights and develop their critical thinking skills to take advantage of the global trends and risk opportunities.

Extensive discussions were held between Mona School of Business and the Education Committee of JIFS in order to ensure that the content of this leadership programme would meet the needs of a small developing nation competing in a global environment. MSB as part of the University of the West Indies, has the most extensive experience of any business school in Jamaica, with experienced local and regional faculty, who are engage in applied research with regional applications.

We all are aware that even experienced executives must update their knowledge to be able to navigate a new era of global pressures such as heightened regulation by government, higher capital requirements, volatile customer behaviours and intensifying competition. These challenges not only constrain organizational growth but also induce organizational decline. Leaders need to be alert to the realities of changing environments at home and abroad, make careful but timely decisions (including de-skilling and re-skilling of employees) and motivate discretionary effort for success.

On behalf of Professor Gordon Shirley, Principal of UWI, Mona, I welcome you, the participants to this intensive three - day programme, designed to sharpen your skills, as leaders of financial services in order for you to address issues related to managing growth, diversification and innovation. I welcome our specially invited guests from JIFS and MSB and our facilitators.
Let me wish for you success during this porgramme and challenge you to use the skills and knowledge acquired to not only make your own organization more successful financially but to also make you, as individuals, better leaders.

Minna Israel,
Chair, Mona School of Business Board
February 2012

REMARKS

Jamaica Bankers Association

"Executive Leadership Practices for the New Era of Financial Services"

Today's fast pace and ever changing world demands that leaders constantly upgrade and sharpen their understanding and skills in order to be on the cutting edge of their given discipline. With the very fierce competition in the financial sector, the survival of any business will require more than average success. One of the best ways to accomplish this is with an educated workforce that keeps current with new developments in technology, economic changes and innovation. Financial services providers must therefore keep abreast of government regulatory requirements, international trends, and the demands of a savvy marketplace. Leaders who will be forward thinkers, are those who are willing and ready to adapt to, and embrace change.
The current era of financial services presents itself against the backdrop of a market place that is ever increasing in sophistication. In this regard, we must respond to their needs and ensure that we adopt practices that hold our customers at the centre of our operations.

It is interesting to note that this course has been specially developed based on specific research with international best practices. The JBA endorses programmes of this nature as we believe that sound financial education is critical to the development of strong sustainable businesses and ultimately a strong economy.

The Mona School of Business and the Jamaica Institute of Financial Services are to be commended for the formulation of this custom built Executive programme which is being offered for the first time.

It is my hope that the knowledge gained from this workshop will be applied throughout the various participating organisations and, consequently, form the basis for sound business decisions.

Bruce Bowen
President, Jamaica Bankers Association &
CEO, The Bank of Nova Scotia Jamaica Ltd.
February 2012

REMARKS

The Jamaica Institute of Financial Services/ Financial Services Training Institute

The principal objective of The Jamaica Institute of Financial Services/Financial Services Training Institute is to enhance the development of professionals within the financial services sector. With this objective comes the responsibility of keeping abreast of the global landscape in order to provide stakeholders with the tools required to become and remain globally competitive. With our accountability to our principal objective, we work closely with the human resource development specialists within the financial services industry. Our goal is to continue expanding and improving the training opportunities at all levels.

We are convinced, as was the late John F. Kennedy that "leadership and learning are indispensable to each other". **This premier programme, Caribbean Executive Leadership Series 2012:** *Executive Leadership Practices for the New Era of Financial Services",* offered in collaboration with Mona School of Business is as a result of several months of deliberations and consultations. We agreed that this would not be just a 'run of the mill' leadership programme but that it should be based on research and include practical takeaways for implementable results. It has therefore been, specially designed to sharpen the leadership skills of the financial services industry and to address relevant issues in relation to the growth and development of the sector.

This publication of the outcome of this initiative is testament to the commitment of both institutions to executive leaderhship development.

I must acknowledge the contribution of the JIFS Executive Committee (the Jamaica Bankers Association Education Committee) and in particular Rickert Allen, Senior General Manager, Group HRD, National Commercial Bank and Michael Jones Snr. V.P. Human Resource, Scotia Bank (Committee Chair) who were very instrumental in helping us the determine the critical content areas of the programme, based on the needs of the sector.

We are indeed proud of this milestone contribution to leadership development and look forward to our continued relationship with the Mona School of Business.

JIFS remains committed to 'providing training and education in business and finance'.

Darlene Jones
Director, The Jamaica Institute of Financial Services/
Financial Services Training Institute
February 2012

Critical Global and Domestic Trends and Implications for the Domestic Financial Sector

Colin Bullock, Senior Lecturer, Department of Economics, UWI, Mona

Global Crisis and Policy Response

Events unfolding in the international economy since 2008 have come to be referred to as "the Great Recession". "The Great Recession" as terminology, bears reference to the Great Depression of the 1930s. Indeed, the events of the past three years are seen as representing the most significant co-occurrence of contraction of employment and economic activity and financial institutional failure since the 1930s.

Financial sector "over-exuberance" has been a central element of "the great recession". There is now a clear understanding of the role of the asset market bubble in housing in the United States and other developed market economies. More careful reflection however suggests that there may have been several other and perhaps more fundamental underlying factors that allowed the housing market bubble to grow and then deflate.

The discipline of macroeconomics has been divided between those who believe in the efficiency and automatically self-regulating nature of markets and those who believe that markets need effective regulation. At the time of the rise and fall of the housing market bubble, the forces of de-regulation were in ascendancy and despite the costs of the financial and economic melt-down, have not gone away.

Financial crisis in Latin America and South-East Asia in the 1990s underlined the importance and potential disruptiveness of international capital flows resulting from globalization. In this context, crisis is easily transmitted internationally and financial panic can cause capital flight and currency crisis in economies that are essentially sound.

It is ironic that in 2011 just when the "Great Recession" appeared to have been easing, crises within the Euro zone threatened to extend it. The well documented crises in Portugal, Ireland, Italy, Greece and Spain have reflected not only the bursting of asset bubbles but perhaps more significantly, fiscal mismanagement (despite the European Stability and Growth Pact) and a mountain of public debt.

Globalization has fostered contagion of financial and economic crises to developing countries, more recently referred to on Wall Street and in "the City" as Emerging Markets. While these economies had sought insurance by building foreign exchange reserves and strengthening financial regulation (sometimes under pressure of AML-CFT) their financial systems were exposed to the "toxic financial assets" from the global economic centres. Perhaps more significantly, export earning, remittances and private capital inflows fell while there were increases in fuel and food import prices.

Economies in the Caribbean have experienced financial crises of their own. Jamaica's "financial melt-down" of the mid 1990s was related to an internal real estate asset bubble, financial exuberance and mis-management, inadequate regulation and an uneven sequence of macroeconomic stabilization. The cost of its resolution through the Financial Sector Adjustment Company (FINSAC) created the basis for Jamaica's own current mountain of debt.

The failure of CL Financial affecting most of the English speaking Caribbean (with the notable exceptions of Jamaica and Haiti) reflected over-expansion on the basis of balance sheet asset-liability mismatches where the regulatory framework had not kept pace with the growing complexity of CL. While Republic Bank was rescued, there are unresolved issues related to the remuneration of policy holders affecting policy-holders and governments across the region.

It is now apparent that the financial sector appears as both cause and effect of financial crises. "Financial exuberance" fuels asset bubbles that eventually burst and the resulting collapse in asset values impairs the assets and capital of financial institutions contributing to a collapse of credit and the demand for goods and services. It was Sir John Maynard Keynes who recognized that economic contraction was caused by a collapse of aggregate demand and the appropriate policy response was to increase government spending to get the economy going again.

The absence of major financial crises for fifty years and high growth without inflation led to a conclusion that financial markets were effectively self-regulating requiring minimal official regulation and policy fine-tuning.

The emergence of banking type functions outside the formal banking system has come to be referred to as "shadow banking". Its institutions have been cited as including collateralized debt obligations (CDOs, at the heart of the mortgage crisis) auction rate securities, overnight repurchase agreements and hedge funds In the Caribbean, we have had highly liquid deposit facilities attached to insurance contracts, popular misperception of a difference between securities dealing and deposit taking intermediation and outright Ponzi schemes.

Shadow banking facilitates regulatory arbitrage and because of lower or non-existent reserve and capital requirements, allows them to pay higher returns than banks on their liabilities. In the context of weak regulatory oversight, the investors are either not equipped to assess risk or believe that their "deposits" will be protected. In a context of heightened liquidity and with the pull of more attractive rates of return, more short term money flows into shadow banking which is then used to generate the desired returns by bidding up the prices of less liquid assets (including real estate and housing). The system works as long as the prices of the assets in which shadow banking is invested keep rising.

Once the asset price bubble is burst, there follows the circularity of loss of confidence, funding withdrawal, asset sales at depressed prices, capital impairment and institutional and investor losses as earlier experienced in Latin America and Asia. Aided by regulatory myopia and the support of rating agencies, this is what happened in the sub-prime mortgage crisis. The complexity was increased by the packaging and securitization of these mortgages.

Consumer credit, a major driver of American economic activity, was severely diminished by late 2008. Despite the best efforts of the Federal Reserve System to push interest rates towards zero there followed a collapse of business and consumer confidence and "the Great Recession".

With substantial international holdings of financial assets issued in other countries, it is not surprising that financial crisis was transmitted internationally. Also parallel with the United States there was a response of monetary easing and financial system restructuring which initially failed to gain traction in easing the credit crunch.

Events in Ireland graphically demonstrated the positives and negatives of national economies using an international common currency. In resolving its crisis, Ireland did not enjoy the benefit of having its own Central Bank but its relatively small size meant that the European Central Bank could provide adequate liquidity support. The subsequent crises led by Greece but occurring almost simultaneously in Portugal, Italy and Spain, constituted a problem of different size and systemic implications. The attempted rescue of the Euro by Germany and France through financial support for Greece has been at tremendous political cost to the leadership of France and particularly Germany.

In the English speaking Caribbean there has been no systemic failure arising from exposure to toxic assets. The analysis of the Stiglitz Report is that in a context of uncertainty, the stabilization of financial centres could elicit a capital "flight to quality". The English Speaking Caribbean has had its own internal financial crises, predating the global financial crisis but driven by similar financial "over-exuberance".

As would be expected, recession in developed market economies have adversely affected the merchandise and service exports of small open dependent economies such as the English speaking Caribbean. At the same time oil import prices were adversely affected by a confluence of heightened demand and supply disturbances while food import prices were increasing on the basis of increased production of bio-fuels. Countries like Jamaica that are highly dependent on remittances experienced reduced inflows due to recession with job losses in North America and the United Kingdom.

As a result of the contraction in economic activity, there was an increase in the rate of unemployment across the region. Unemployment and reduced economic activity caused a doubling of the percentage of the Jamaican population living in poverty.

Economic recession undermined the capacity of governments to realize revenue and fiscal balance objectives. Ratios of Debt/GDP increased across the region. Jamaica initially relied on inflows from the IBRD, the IADB, the EU and the Caribbean Development Bank for public financial and foreign exchange support. By late 2009 however, it became apparent that even those flows would only be sustained with the seal of approval of a formal borrowing agreement with the International Monetary Fund.

Regarding policy conditionality, the IMF, following external criticism and internal review, has become less dogmatic. For example it was more agnostic on exchange systems and on the imperative for currency re-alignment to correct balance of payment problems. Despite this the IMF provides loan resources and expects to be repaid. In a country with severe fiscal and debt constraints there is likely to be the requirement for fiscal compression to ensure capacity to repay and this may make revenue collection more difficult. This creates a complex problem of how to adjust without sacrificing economic growth.

As the world anxiously watches for "green shoots" of recovery and hopes for a positive resolution of the Eurozone crisis, substantial attention is being paid to how to ensure that the same thing does not happen again. The Stiglitz Report posits that international coordination of macroeconomic policy and regulation are essential to success. The report sees developing countries as being particularly vulnerable to the potential for protectionist recovery in developed countries. Having been dependent on capital inflows from developed countries' financial systems, there is the possibility of a withdrawal of financial inflows by restructured financial institutions, and capital flight.

Financial markets are seen to have been affected by, inter alia, information asymmetries (impairing risk assessment), to have encouraged consumption over investment and to have been driven by incentives (including compensation schemes) that have created principal-agent distortions and elevated personal benefit over social returns. Financial institutions have used creative accounting to obscure information thereby inhibiting the capacity of markets to measure risk and value assets properly. Rather than being idealized competitive markets, there has evolved domination by institutions that are too big to fail and even too big to be restructured. It has been suggested that even the capacity for innovation that should be facilitated by light regulation, has facilitated the remuneration of the financial sector and its managers rather than benefit the wider society. The financial system is also seen to have failed to introduce other products that may have been useful in mitigating risk.

It is now being proposed that financial regulation should be comprehensive with boundaries determined by the functions of financial institutions rather than by what they are called or their institutional or locational modus operandi.

A distinction is made between micro-prudential and macro-prudential regulation, both of which are seen as necessary. Micro-prudential regulation is aimed at consumer protection especially the most vulnerable. Macro-prudential regulation, not so clearly established in the industry, should aim at reducing the "pro-cyclicality of finance". Recommendations have included the following:

1. Restrictions on and/or higher provisions for the fraction of banks' balance sheets that can be devoted to speculative activity.
2. Securities markets need to be made more transparent (reduce information asymmetries) and originators of securities should hold some fraction of their creation on their own books.
3. Predatory lending should be discouraged and disadvantaged minorities and countries should have access to credit markets.
4. Institutions that are "too big to fail" or even worse "too big to be restructured". should be broken up by anti-trust action.
5. Any large bank that is not broken up should have stronger capital adequacy requirements.... and face more stringent requirements" on incentive structures, transparency and risk absorption as well as higher premiums for deposit insurance.

According to the Stiglitz Report:

"Time varying capital adequacy and provisioning requirements that rise and fall with the business cycle provide the best instrument of counter-cyclical macro-prudential regulation". Regulation should focus on the capacity of the system as a whole to bear risks and not merely on the risk profile of the individual institution.

"It is not enough to have good regulations; they have to be enforced". Regulators may run the "risks of capture by those being regulated". There is also the risk from a political process being unduly influenced by campaign financing. Personnel migration between private sector and regulatory framework is also seen as having the potential to compromise regulatory integrity.

While recognizing institutional diversity across borders, the Stiglitz Report suggests a cooperative dichotomy between a central bank having responsibility for systemic stability (macro-prudential regulation) and a "Financial Regulatory Authority with responsibility for consumer protection (micro-prudential regulation).

Global coordination of regulation is seen as necessary to avoid a "race to the bottom" where countries compete on the basis of laxity of regulation to attract capital inflow.

The operations of credit rating agencies may need to be reformed. There is a general demand for greater transparency and consistency in the rating process. There is a perceived conflict of interest in having ratings paid for by the issuers rather than the purchasers of debt. There is also a perceived moral hazard in rating agencies doing consultancy work with their clients. The market is also very clearly oligopolistic with the possibility of informal collusion or "leadership".

Developing countries are also seen as needing more flexibility in managing potentially volatile capital flows and their capacity for growth with adjustment may be enhanced by increased flows of development finance.

Implications for the Domestic Financial System

Following domestic crises that were in part due to regulatory failure, there has been financial sector reform and regulatory strengthening in the Caribbean. This would have contributed to the apparent resilience of domestic financial systems to the international financial crisis and its "toxic assets".

The rise and fall of Ponzi schemes in Jamaica represents evidence of residual weaknesses in regulation and regulatory enforcement. Krugman in "The return of Depression Economics" posits that anything that behaves like a bank and the failure of which would have the same social impact as if a bank had failed ought to be regulated like a bank. The legal and judicial dithering notwithstanding, the failure of the "investment schemes" has created significant hardship for depositors/investors and the loss of their saving has contributed to recessionary conditions in the Jamaican economy. It is ironic and instructive that while the saving of Jamaicans disappeared, it is the Governments of the United Kingdom (in its Turks and Caicos dependency) and the United States that have brought successful prosecutions against the principal of one of the major schemes.

There is a protracted stand-off between the Jamaican credit union movement and the Bank of Jamaica (it is never clear where the elected representatives stand) regarding proposed regulation of credit unions as deposit taking institutions. At issue are the capacity of the credit union movement for self-regulation and the extent to which prudential requirements should mirror those of banks.

As Jamaica's financial system led by asset liability maturity mismatches slid into illiquidity and then insolvency in the 1990s, there was conflict between regulatory authorities and elements of the financial system. Since the resolution of the crisis at great cost to taxpayers, there has been, with the exception of credit unions, evidence of any significant conflict. Despite the attractiveness of freedom to innovate, take risk and optimize returns, financial institutions, especially in developing countries, should welcome effective regulation. This enhances their institutional rating and attractiveness as transaction counterparties.

Financial institutions globally have been cast as the rogues of the international financial sector meltdown and have been criticized for resisting regulation for freedom to innovate to maximize managerial even above institutional, shareholder and societal interest. What is the attitude of the domestic financial system to the inherent stability of financial markets, freedom to innovate and take risk, to managerial and employee compensation and incentives and to regulation? Are derivatives used to take risk or to genuinely hedge risk?

A fact often cited is that during Jamaica's mid-1990s financial sector melt-down the subsidiaries of Canadian and American banks survived while indigenous institutions failed. More of the banking system is now externally owned and managed and it is hoped that indigenous institutions are now more effective in their internal management and control. In any event, it appears that when there have been losses, it has either been absorbed by strong capitalization or there has been re-capitalization.

The economy has been more obviously directly affected by the global crisis than the financial sector. Following the Ponzi scheme losses, the great recession has driven a contraction in exports, remittances, capital flows output and employment, and an increase in remittances and poverty. In this environment where financial institutions are being exhorted to channel more resources in support of growth, there is an increase in non-performing loans, albeit not yet to the level of prudential benchmarks. There is a dilemma here in that unless the economy grows, non-performing loans may increase and if there is aggressive loan expansion, non-performing loans may increase.

Financial systems in the Caribbean and in Jamaica in particular, have been criticized for their spreads between deposit and lending rates. The persistence of the spreads has been linked to relatively high administrative costs, suggesting inefficiency. Spreads may also be related to profitability and the need of foreign ownership to generate surplus on its investment.

In markets of relatively small size by developed country standards, market structure defaults to oligopoly where there is price leadership by one or two dominant firms. Experience is that these institutions are not too big to be fail although the jury is still out on whether CL Financial is too big to be resolved. The recommendation of the Stiglitz Committee to break up large institutions may either not be viable or acceptable by multinational external ownership.

Financial systems in the Caribbean are very heavily exposed to the debt of the governments of the countries in which they operate. This arises from a confluence of weak economies limiting private productive sector borrowing and indebted governments with heavy borrowing requirements.

In a context of international recession, governments are challenged to collect sufficient revenue to meet fiscal and debt management objectives. Jamaica's financial sector in the Jamaica Debt Exchange (JDX) has already suffered income losses from its exposure to public debt. The still unresolved public debt problems imply continuing risk for the financial sector. Within the financial sector, Pension Funds have been losing income from protracted failure of government to refund withholding tax on interest income.

Several Caribbean jurisdictions have profited from the operation of an offshore banking sector. As Jamaica had proposed to enter the field, there has been increasing pressure from developed countries to lift the veil of secrecy in pursuit of tax evasion. The Stiglitz Report posits that where banking in the states of Delaware and Nevada is as opaque as anywhere in the world, pressure is placed on developing countries for disclosure on a non-reciprocal basis. It is likely that this type of pressure will continue.

Relative to concern about internationally uneven liquidity injection and capital flows, there has been little evidence of a destabilizing flight to quality from the Caribbean. Given the adage that you cannot really be rich when all around you are poor, the domestic financial system will be challenged to walk the razor's edge between managing risk and facilitating growth. At the same time, survival will be dependent on the capacity of governments to resolve their fiscal and public debt problems.

Selected References

Paul Krugman: "The Return of Depression Economics" Norton (2009)

Joseph E. Stiglitz (and Members of a UN Commission of Financial Experts): "The Stiglitz Report" The New Press (2009)

Nouriel Roubini and Stephen Mihm: "Crisis Economics" Penguin (2010)

Joseph E. Stiglitz: "Freefall" Norton (2010)

Commentary

Some organizations are more exposed than others and can fail under the weight of external pressure. Leaders should avoid overconfidence from past performance. Credit Unions need careful attention because some are quite weak.

Growth: The Caribbean Challenge

Miguel Carrillo, Executive Director,
Arthur Lok Jack School of Business, UWI, St Augustine

Introduction

Growth is the ultimate output of any successful strategy, whether in the realm of nature or business. The evolution of species is the result of successful adaptation of environmental or contextual changes. Darwin clearly identifies 4 stages in the process of evolution: variation, selection, retention, and replication. The last stage, replication, implies the growth in numbers of a particular species. It generally implies conquering new spaces and positions in the food chain over time. A similar phenomenon happens for nations and business. In terms of growth, firms shall ask the following questions:

A) How to grow?
B) How to keep growing?
C) How to accelerate growth?
D) How to make it sustainable?
E) How to make it profitable?

It is indeed quite difficult to make a case against growth. Firms that do not grow and are comfortable with its current position usually are setting themselves up for failure. Firms that lack growth initiatives or are not actually designing and/or deploying growth engines most likely have a depressing organizational atmosphere, where employees feel stagnated and there is an important misalignment between the organization and the market.

Markets are always dynamic, and firms must mimic and anticipate the evolution of markets and even ignite a revolution in consumer behavior. Firms without an active portfolio of growth initiatives tend not to have a fundamental sophistication of business practices and a risk adverse profile.

The Growth Imperative

CARICOM economies have are suffering a growth crisis. Growth expectations in the vast majority of Caribbean nations are between 1% and 2%. The expected outliers are Suriname, Guyana, and Haiti. Although many explanations and excuses can be proposed, the reality is that neither governments nor the private sector have a clear idea of how to ignite growth in a sustainable fashion in our region.

It is important to point out that lack of growth usually implies the presence of a declining pattern. As well, it is critical to balance top line and bottom line growth. Growth is the oxygen of the blood of business. Sustainable and profitable growth patterns are a reflection of the management's deep understanding of markets and the competitive landscape, and are able to attract, develop and retain the best talent even at a global scale.

How to grow?

Deliberate growth strategies are always challenging to craft. There is a general typology of growth: organic and inorganic. However, I propose the use of a different growth typology: ***new growth and old growth.***

Old growth basically implies to do the same but better. Serve the same markets with the same products with increased productivity. Usually implies leveraging the current resources and capabilities of firms, and being very efficient in exploiting its resource base. Old growth as well usually implies: a) incremental improvements of top and bottom line with the exception of growth achieved through acquisition and b) a more risk adverse approach towards growth.

New growth implies a very different approach towards uncertainty, ambiguity and risk. It usually needs a more aggressive profile in terms of decision making, aspirations and overall impact in the organizations. New growth has two fundamental pillars: Internationalization and Innovation. It usually uses a more complex and sophisticated portfolio of management and organizational capabilities, since it implies the constant creation, renewal, and destruction of competitive advantages. Figure I depict some of the most usual vehicles used in pursuing growth.

Every growth combination (i.e. Old/Organic or New/Inorganic) presents its own particular challenges. It is difficult to state which is a better or more difficult growth strategy, since it depends on a lot of factors.

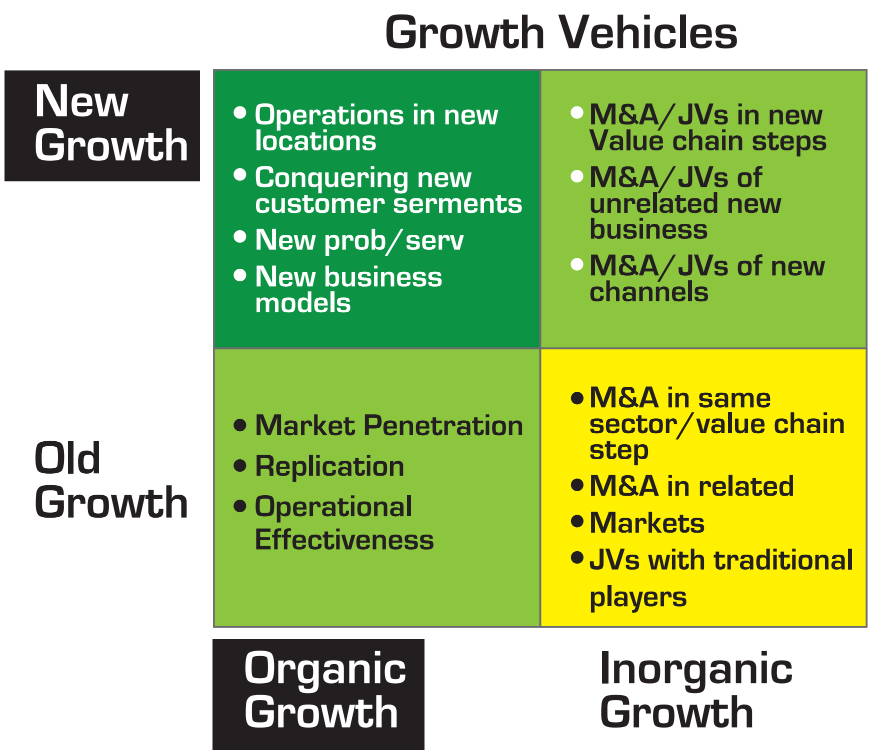


Figure 1. Growth Vehicles (Miguel Carrillo, 2012)

Old and Organic Growth

This might be the most traditional and well understood growth strategy that has lower levels of risk. However, this strategy has its own challenges. Usually businesses underestimate market penetration as a significant growth engine and in order to excel in this strategy, it is fundamental to achieve extraordinary levels or productivity and efficiency.

As well, firms pursuing this growth strategy usually differentiate themselves through cost leadership or customer service. This strategy operates usually in two extreme contexts: a) one of very intense rivalry, or b) one of a quasi-monopoly. Some issues of this strategy: Natural declining returns in the investment in productivity efforts and the potential obsolesce of value proposition due to rival's innovation efforts.

Old and Inorganic Growth

This is essentially a strategy aimed to expand in well understood and friendly territories within essentially the same sector and/or in the same value chain steps. This strategy is one of the favorites of Caribbean tycoons and entrepreneurs. It helps to "safely" occupy new geographic positions, with a very similar value proposition, without the need to significantly localize or customize the products or services offerings.

It is well documented in business research the fact that more than 80% of M&A's failed to deliver the expected results, whether financial or strategic. However, there are many success stories in the Caribbean that speak to a particular capability of regional entrepreneurs to expand in the region.

Since Caribbean markets are intrinsically small, the most obvious growth engine to consider is regional expansion in similar markets. Some issues of this strategy: potential alienation of local markets and the employee based of the acquired firm and important growth limitations, since the Caribbean is a very small market not able to sustain significant growth rates over an extended time horizon.

New and Organic Growth

New growth initiatives usually imply the exploration of new revenue sources based either on new business models, new markets, new products/services or a combination of all. It usually implies the existence of sophisticated innovation and internationalization organizational capabilities able to create and deploy extraordinary value propositions that are singular, unique, different, original rare, difficult to imitate, difficult to substitute, replicable and adaptable in other locations and competitive atmospheres.

The sustainability of his growth strategy lies in the ability to generate non-trivial changes in the value equation of customers in a systemic and predictable fashion. In short, these particular strategy demands the command of knowledge and expertise in innovation and internationalization trajectories. Some issues of this strategy: It takes a long period of time (Gary Hamel suggests 10 years) and significant resources to build from scratch innovation and internationalization competencies. As well, firms must be willing to learn to experiment, and to significantly increase their investment in the future while accepting failure as a natural outcome of exploring "blue ocean" markets and/or the commercialization and adoption of new products and services.

New and Inorganic Growth

This growth definitely is not for the heart fainted. It enjoys the best and the worst of both worlds. On the one hand, new inorganic growth cuts the time in the exploration and conquering of new competitive spaces. On the other, stretches the capabilities and resources of businesses to the maximum since there is the possibility to be exposed to new businesses with a completely different dynamics due to unrelated domains in products and businesses.

This strategic choice implies the pursuit of unrelated diversification through most likely high risk vehicles, in unfamiliar markets or new technologies. It is a very complex strategy, since it implies the diversification of novel business domains using a vehicle that implies the purchase of revenue and/or a position in atmospheres of little exposure. The biggest issue of this strategy is that as business growth initiatives are located further from its core competence and expertise, the possibilities of failure increase dramatically.

Conclusion

No matter your choice of growth strategies, these most likely will pose challenges to traditional business practices, organizational capabilities and structure. The vast majority of firms are designed and organized to perform, not to grow in double digits. It is crucial that top managers understand the differences between a growth and a performance driven organization. After all, one of the biggest strategic challenges of strategy is the pursuit of performance in the absence of growth.

Commentary

The status quo must be questioned to glean insights for organizational growth. Leaders should also listen to what customers are NOT saying and exploit market research for validation of ideas. Organizations should learn to "fail forward" by using disappointing experiences to improve subsequent efforts. Organizations should develop foreign language skills, such as Spanish, for doing business with Latin America.

Results-based Leadership for Shaping Organizational Culture

Neville Ying,
Executive Director, Jamaica Diaspora Institute

Jeannine Comma,
Chief Executive Officer,
Cave Hill School of Business,
UWI, Cave Hill

Abstract

This paper discusses the importance of results-based leadership in shaping organizational culture towards achieving organizational goals and objectives to ensure that company targets are met. It looks at some of the relevant leading theories and viewpoints on Leadership that have been postulated.

Introduction

The global financial crisis has caused a renewed focus on leadership worldwide.

This financial crisis has visibly impacted the way we conduct business in the market place. Corporate Executives in all sectors have had to come up with innovations and creative ways of dealing with the problems that they face on a daily basis. The financial sector is no exception, as companies in this sector have had to evaluate and adjust business processes. One area that has been uppermost in the minds of shareholders and business executives is ***Leadership.*** In particular they are seeking to find the most effective leadership strategy to implement for maximum growth and increased productivity . This is because ***Leadership*** is essential in the organization's ability to "adapt, survive and thrive" in a constantly changing and volatile business environment. Results-based leadership is a self-evident Title. "Organizational culture and leadership are all about behaviour: what leaders do and all other employees do or should do" (Willy Linssen, 2010).

LEADERSHIP FOR RESULTS – PERSPECTIVES TO CONSIDER

Do we need Managers or Leaders?

The global financial crisis has resulted in organizations considering very seriously whether the focus solely on results is the most effective purpose to pursue in order to achieve sustainable growth and success.

This is highlighted in the debate surrounding whether the focus should have been on Wall Street or Main Street. One perspective related to this was that the focus on results on Wall Street, showed that they had mangers and not leaders. Further, the view is that what is needed to work our way through this crisis are leaders not mangers; more importantly we need inspirational leaders. These are some of the major points of conclusions from the McKinsey Global Survey study and the Article: ***Wall Street Meltdown: A crisis in leadership:***

The results of the McKinsey Global Survey of 2009, captured in the Article: ***Leadership through the Crisis and After***, points to pertinent comments which can be summed up as follows:

The three most important corporate capabilities are:

- Leadership that inspires others and shape their actions
- Direction so that it is clear about where the

companies are going and that people are aligned on how to get there

- Innovation which is important for managing during the crisis and is most important after the crisis.

The kinds of leadership behavior that executives display that will help companies through the current crisis such as inspiring others and defining expectations and rewards are the same ones that will help their companies thrive in the future.

The Article, A Wall Street Meltdown: a crisis in leadership, have the following important comments

Wall Street had managers not leaders. They hired good people; drive them to work and if the numbers are good they get financial rewards in the form of large bonuses. What was needed was:

- A Leader is a person to whom others can turn for direction, inspiration and moral authority; someone we trust to guide towards a shared future.
- This type of leader has the characteristics and skills of an Inspirational leader:
- Inspirational leaders impart vision, mission and values by one or a combination of the following skills:
    - ***Inspiring:*** including inspiring , encouraging and challenging others
    - ***Engaging:*** by enquiring of others , listening and contributing appropriate help to support others
    - ***Building trust:*** by identifying with others, disclosing relevant information about oneself and empowering others
    - ***Sustaining commitment:*** by re-energizing the vision and overcoming the obstacles, recognizing the contribution of others and facilitating learning from failures and successes.

Leadership and sustainable development

The discussion on leadership and results should start with the underlying but profound definition of leadership which is that Leadership is an influencing process.

Each Leader should therefore ask three questions.

1. What is my source of influence?
2. What are the expectations and feelings of those I am trying to influence?
3. How can I align my source of influence with those I am trying to influence to get desired results by both parties?

The first question has answers in areas such as:

Personality characteristics, as well as competence, and power derived from position and status.

The second question has answers related to areas such as trust, fairness, equity, personal goals and aspirations.

Leadership for results tries to bring all this together by saying that there should be focus by the leader on two important pillars of sustainable development: ***Social Capital and Economic Capital*** in order to address the third question.

Social capital involves areas such as: team spirit, cooperation, passion, motivation, excitement, trust fairness and equity.

If you ask the average manager what leaders are supposed to do, chances are you will hear some version of "achieve results". Effective leadership therefore, speaks to how successful leaders are at turning company objectives into reality through a people-centred approach.

A leader's main role is to facilitate the full application of people's talent and energy through the removal of distractions… If we can take a leadership perspective and work on improving the group environment by removing barriers, people will solve most of the issues for themselves (Tom Barker, 2004).

Economic capital involves areas such as: growth, profitability, and return on investment. A useful set of indicators of these are the Criteria for Best Performing Company used by the Jamaica Stock Exchange for their Annual Best Practices Awards: ***Enhancing shareholder value in the areas of capital efficiency, profitability and direct return on shareholdings***

In utilizing Leadership to achieve results in organizations, leaders must achieve a dynamic and productive interaction between both Social Capital and Economic Capital

Inspirational Leadership plays a critical role in developing Social Capital.

In the context of providing leadership to assist organizations to work their way through the global financial crisis: Neville Ying, July , 2011 in his paper Leading from crisis to success: ***The role of inspirational leadership*** distilled important requirements of Inspirational Leadership under the acronym CRISIS.

The CRISIS Approach		
C	COMPELLING	having, sharing and aligning people around a Compelling vision
R	REDIRECTING	redirecting self and others from focus on obstacles to focus on opportunities
I	INSPIRING	Inspiring self and others to move beyond consideration of the present and motivating them to move beyond consideration for their immediate problems e.g. salary, physical resources, transportation , job security school fees, healthcare and quality of life to problemsolving and charting immediate and future directions for success and growth.
S	SHARING	Sharing the concerns, fears and frustration of others through the effective use of emotional intelligence as we seek to engage them in solution oriented actions for managing crises.
I	INNOVATING	strategic thinking leading to effective innovations for crisis solutions and post crisis opportunities
S	SUSTAINING	Creating a sustained culture of commitment, energy, passion and enthusiasm for success

Conversational competencies are critical for inspirational leadership to drive organizational results.

Three important conversational competencies that are utilized by the Newfield Network, are those related to:

- Orientation
- Relationship
- Innovation

Orientation

Conversations with others are aimed at setting the context for actions. These are actions needed to deal with a crisis. The conversations therefore focus on sharing a compelling vision to excite persons to engage and empowering them to make the vision a reality.

Relationship

Conversations for building relationships are aimed at creating an understanding of how we are going to coordinate our requests, offers and promises with each other to achieve the outcomes we want. These conversations predispose us to coordinate in healthy, respectful and dignified ways. The key aspect of conversations aimed at building relationships is building Authentic Trust.

It should be noted that:

Authentic Trust is not just a belief in something that lies outside of you – rather it is generated and understood through your language, emotion and movement.

According to Julio Ollala et al, Newfield Network, Inc., 2008 - Trust may be defined as a positive assessment of another's sincerity, competence, and reliability.

You make an assessment of reliability only after a relationship has been established. Someone can be assessed as being reliable when he or she has fulfilled his or her promises consistently over time.

Innovation

Conversations of innovation are aimed at persons keeping an open mind. This set of conversations require us to suspend assessments and judgments and instead facilitate questioning of existing paradigms and coming up with new ones through processes such as brainstorming.

Dene Rossouw (2011) highlights the fact that there are "eight essential conversation competencies that can help CEOs engage their stakeholders, peers, clients, staff and family members in a more productive and meaningful way". He views each conversation as an investment that determines the "return on engagement" the CEO experiences, because of the culture of engagement that trickles through the organization.

These eight conversation competencies involve:

1. Showing up with an authentic voice
2. Conducting effective, honest and purposeful conversations
3. Engaging in tough, conflict conversations when necessary
4. Collaborating with customers
5. Communicating change
6. Communicating bad news
7. Conducting persuasive presentations
8. Facilitating productive meetings

Economic Capital flows from the effective use of social capital to get the desired results. The bottom-line is that it is people and their motivated and focused productivity that will yield the desired results.

But there are other views about the mix of the attributes of mangers and leaders which suggest that Inspirational leadership is a necessary but not sufficient condition for achieving organizational results especially in working our way through crises.

Leadership Attributes, Styles, Behaviours and Results

Leadership always aims at getting something done. What is more important is getting something done by doing something and getting others to do something. Good leadership, therefore, involves good management qualities, which incorporates:

Strategic Thinking

Financial management is about finding ways to fund the company's goals, and to do this you have to know how to develop the best strategy.

Business Processing

Knowledge of business processes can help you find ways to minimize costs within the company and add value to business processes.

Managing Change

Displaying the ability to effect change in the company.

Companies are interested in leadership that contributes in a significant manner to results which allow them to achieve growth and success. Therefore they are interested in the use of leadership attributes to achieve desired results.

Adapted from "Effective Training: Results Based Leadership," Centre for Strategic Management 2008

Results-based Leadership

BALANCED LEADERSHIP WHEEL

Leaders do much more than demonstrate leadership attributes – character and competencies.

Effective Leaders get **RESULTS**

Desired results must serve multiple constituents – customers, investors, employees, and organization – in a BALANCED way.

Adapted from "Results-Based Leadership.
Dave Ulrich et al. 1999 posted by 1000ventures.com

According to, Vadim Kotelnikov (2001),
Effective leadership = attributes × results

"This equation suggests that leaders must strive for excellence in both terms: that is, they must both demonstrate attributes and achieve results. Each term of the equation multiplies each other; they are not cumulative" (Vadim Kotelnikov, 2001).

He emphasizes that most writings and teachings tend to focus on the attributes of leadership, but fails to make the connection with attributes and results. He maintains that "results-based leadership is how organizational capabilities and leadership competencies lead to and are connected to desired results."

Leaders should, therefore, deliver results in four areas and each area requires its own metric and emphasis:

- ***For employees,*** it is developing their human capital and commitment;
- ***For customers,*** providing value for what they value;
- ***For investors,*** reducing costs and growing the business;
- ***For the organization,*** creating a learning and innovative instinct.
  (Dave Ulrich et al, 1999)

According to Goleman (2000), effective leadership still eludes people and organizations due, in large measure, to the paucity of quantitative data available that demonstrates which precise leadership behaviours give rise to positive results. He maintains that much of the discourse on effective leaderships revolves around inferential, experiential and instinctual advice proffered by leadership experts (Goleman, 2000).

Research conducted by Hay/McBer (cited in Goleman, 2000) which drew from a random sample of some 3,871 executives worldwide indicated a direct link between 6 specific leadership styles and the impact on working atmosphere and financial performance. These six styles of leadership are: coercive, authoritative, affiliative, democratic, pacesetting and coaching and each one evolves from different components of emotional intelligence. The research further revealed that leaders with the best results do not utilize a single leadership style but rather rely on a combination of styles in any given week "seamlessly and in different measure – depending on the business situation" (Goleman, 2000).

"Leaders who have mastered four or more—especially the authoritative, democratic, affiliative, and coaching styles—have the very best climate and business performance. And the most effective leaders switch flexibly among the leadership styles as needed" (Goleman 2000).

Dave Ulrich adds to the discussion on results-based leadership by positing that such a leader will focus on promoting the following organizational priorities:

• Leadership: Do we have the ability to build the next generation of leadership in what we do?

• A Shared Mindset – Do we have a strong culture and firm identity in the mind of our employees and customers.

• Boundarylessness – Do we have the ability to collaborate in teams and work across organizational units?

The Six Leadership Styles at a Glance

Our research found that leaders use six styles, each springing from different components of emotional intelligence. Here is a summary of the styles, their origin, when they work best, and their impact on an organization's climate and thus its performance.

	Coercive	Authoritative	Affiliative	Democratic	Pacesetting	Coaching
The leader's modus operandi	Demands immediate compliance	Mobilizes people toward a vision	Creates harmony and builds emotional bonds	Forges consensus through participation	Sets high standards for performance	Develops people for the future
The style in a phrase	"Do what I tell you."	"Come with me."	"People come first."	"What do you think?"	"Do as I do, now."	"Try this."
Underlying emotional intelligence competencies	Drive to achieve, initiative, self-control	Self-confidence, empathy, change catalyst	Empathy, building relationships, communication	Collaboration, team leadership, communication	Conscientiousness, drive to achieve, initiative	Developing others, empathy, self-awareness
When the style works best	In a crisis, to kick start a turnaround, or with problem employees	When changes require a new vision, or when a clear direction is needed	To heal rifts in a team or to motivate people during stressful circumstances	To build buy-in or consensus, or to get input from valuable employees	To get quick results from a highly motivated and competent team	To help an employee improve performance or develop long-term strengths
Overall impact on climate	Negative	Most strongly positive	Positive	Positive	Negative	Positive

• Learning and Knowledge Management – Do we have the ability to generate and generalize ideas with impact?

• Accountability – Do we have the ability to be disciplined and deliver what we promise?

• Speed – Can we act with agility? Do we have the capacity to change and adapt quickly.

Further, he purposes a four pronged approach to assessing leaders focus on desired results:

• Balanced –To what extent do the results balance across employees, organization, customers and investors?

• Strategic – To what extent do the results align with the strategy and the purpose of organization? How do they relate to the business focus and the chosen customer value proposition – (why customers buy your goods/services)?

• Lasting – To what extent do the results produce short-term gains, without inhibiting or preventing longer-term success?

• Selfless – To what extent do the results move the entire organization ahead, not just the leader's own career or department? To what extent do the results build organizational capacity?

Three attributes of successful leaders are posited by John Collins and Morten Hansen in their book, Great by Choice:

1. Fanatic discipline – displaying high and consistent levels of self discipline

2. Productive paranoia - the capability to endure shocks and to be in very good position to be able to seize opportunities when they come.

3. Empirical creativity – creativity which relies on empirical evidence such as direct observation and practical experiments

Today, organizations buffeted by the recession are seeking a path to similar recovery, and we believe execution-focused leadership should be the first step. Emphasis on execution isn't new, but the recession has made it more relevant than ever (PricewaterhouseCoopers. 2010, p. 5).

Execution-focused leadership fuses a system of execution with a principled, participative decision-making style that unleashes employee talent, inspires trust and motivation, and consistently delivers remarkable results (PricewaterhouseCoopers. 2010, p. 5).

Franklin Covey's four Disciplines of Execution™ for leaders are straightforward.

1. Focus on a few critically important goals.
2. Act on the lead measures that impact goal achievement.
3. Measure success and motivate employees through visible, compelling scoreboards.
4. Hold one another accountable through a weekly "cadence" of accountability. (PricewaterhouseCoopers. 2010, p. 5).

Principles of execution-focused leadership

- **Clarity** - Do we all know what is most important?
- **Commitment** - Do we believe in the goals and want to achieve them?
- **Translation to action** - Do we know what we have to do to achieve the goals?
- **Enabling sponsorship** - Do we remove barriers?
- **Synergy** - Do we work effectively together to improve our ability to achieve the goals?
- **Accountability** - Do we report results to one another regularly? (PricewaterhouseCoopers. 2010, p. 5).

Conclusion

Theories and viewpoints on leadership for results can be distilled into the conclusion that that leadership behaviours attributes and styles are critical determinants of the results that organizations seek to achieve. It is important for leaders to identify and use a judicious mix of these if they are to be effective in assisting their organizations to achieve desired results. The challenge is to find this mix. A useful starting point is introspection and reflection by each leader to find his or her source of influence. This should be followed by the development and implementation of a leadership behaviour Roadmap that can shape the organizational culture and competencies, attitudes and commitment of people to achieve desired organizational results.

Works Cited:

2011. Wall Street meltdown: A crisis in leadership. In Barnes and Conti Blog March 7, 2011. Http://www.barnesconti.com/blog/?p=82.
Retrieved January 14, 2012.

2009. Leadership through the crisis and after: McKinsey Global Survey of 2009. In McKinsey Quarterly October 2009. McKinsey & Company.

Centre for Strategic Management. 2008. Effective Training: Results Based Leadership. http://www.csmweb.com/leadership.html. Retrieved January 11, 2012.

RESEARCH RESULTS INFORMATION SHEET

Human Synergistic International assessed expectations of behaviour of highly effective leaders in organizations among 375 managers, and in another study it assessed actual management behaviour among 165,000 lower, middle and top level managers in the financial services industry in several Anglo-Saxon countries.

The research showed that the leadership profile for a highly effective leader is one that is highly constructive, people oriented and at the same time achievement oriented, that is, caring for employee needs and caring for results at the same time.

However, the research showed that management behaviour in the financial services is predominantly defensive and task focused as behaviours mainly focus on exhibiting power, seeking approval, competition and avoidance of risks and responsibilities.
In order to be effective leaders and effect change in organizational culture, in essence, managers have to reduce their aggressive and passive defensive styles and increase their constructive styles.

In further research of 1,000 organizational units, it was found that constructive behaviours produce significant positive outcomes throughout the organization at all levels in areas such as motivation, job satisfaction, performance and engagement while lowering stress levels resulting in higher intention to stay; teams experience higher quality in their work relationships and collaboration among co-workers in and across departments. The organization as a whole produces higher quality services and last but not least more satisfied customers.

Constructive Behaviours That Produce Results -

Self-Actualization – Managers are expected to be engaged, produce value and go for quality over quantity, in accordance with corporate values.

Humanistic-Encouragement – Managers should encourage the growth and development of their employees through supporting, allowing people to think for them and coaching them to achieve organizational goals.

Achievement – Managers should evaluate competition to understand what it takes to succeed in the business, thus setting goals and master the process which produces results.

Affiliative–Managers are expected to focus on collaboration and teamwork and can agree to disagree yet still respect others as colleagues and customers. Thus, separating the task from the person.

"Leadership in Finance – Leading is Caring for People and results" by Willy Linssen 2010. Human Synergistic International. Willy Linssen CEO of Heartware a leadership development consultancy, in Korea that works with global financial firms to develop leadership capabilities of their executive teams. Heartware represents Human Synergistics.

Collins, John and Morten Hansen. 2011. Great by Choice: Uncertainty, Chaos, and Luck Why Some Thrive Despite Them All? New York: Harper Collins Publishers.

Finnie, William and Stewart Early. 2002. Results-based leadership: an interview with Dave Ulrich. Strategy & Leadership, Vol. 30 Issue: 6, pp. 23 – 29

Goleman, Daniel. Leadership That Gets Results an article. Harvard Business Review March-April, 2000.

Kotelnikov, Vadim. 2001. Results-Based Leadership: Connecting Leadership Attributes to Desired Results. http://www.1000ventures.com/business_guide/crosscuttings/leadership_results-based.html. Retrieved January 11, 2012.

Linssen, Willy. 2010. Leadership in Finance: Leading is Caring for People and Results. Human Synergistic International.

Ying, Neville, Leading from crisis to success: The role of inspirational leadership July 2011.

Ollala, Julio, Building Trust in Organizations, An Introductory Essay, 2008, Newfield Network, Inc.

PricewaterhouseCoopers. 2010. Execution-focused Leadership: Balancing short-term survival with long-term sustainability.

PricewaterhouseCoopers

Rossouw, Dene. 2011. Eight conversation competencies for leaders and CEO's. www.authenticdialogue.com/?news=eight-conversation-competencies-for-leaders-and-ceos. Retrieved January 12, 2012.

Qualities of a top financial executive. http://www.recruiter.com/career-advice/qualities-of-a-top-financial-executive/. Retrieved January 10, 2012.
Ulrich, Dave, Zenger, Jack and Norman Smallwood. 1999. Results-based leadership. Harvard Business School Press.

Ying, Neville , Leading from crisis to success: The role of inspirational leadership, July 2011.

Commentary

Leaders should build the level of confidence of followers and resolve their fears.

Leveraging Supply Chains to Boost Profitability of Financial Services

Dr. William Lawrence,
Director,
Professional Servises Unit,
MSB, UWI, Mona

Ralph Thomas,
Senior Teaching Fellow,
MSB, UWI, Mona

Abstract

For prosperity in the new era, providers of financial services need to adapt supply chains quickly to changing environmental realities and ensure that all elements fit together to reduce business uncertainty and satisfy customers. This article discusses how leaders of financial institutions should align supply chains with competitive strategy and strengthen transaction flows for increased throughput productivity and firm profitability.

Introduction

The Jamaican financial sector helps to execute monetary policy by providing a broad range of services to households, businesses and the Government and also facilitating transformation of domestic private savings and capital inflows into longer-term investments. This sector is expected to stimulate economic growth through effective and efficient resource allocation with minimum risk and cost of capital. The institutions in the sector are mainly commercial banks, building societies, merchant banks, credit unions, insurance companies, development banks, securities dealers and registered lenders of unsecured capital.

These entities originate or facilitate financial transactions including creation, liquidation and transfer of ownership, brokerage and asset management, taking deposits, issuing and underwriting securities, making loans, keeping assets in custody or trust and insurance. However, their profitability is threatened by intensifying competition, declining interest rates, the evolution of new products and challenges facilitated by rapid changes in technology and globalized responses to narco-terrorism which has spawned a raft of new regulations and restrictions adding to the costs and risks of doing business. Extended competition in the industry comes from foreign financial institutions, including off-shore banking and substitutes for regulated financial services. Traditionally, financial institutions have relied on cost-cutting and mergers and acquisitions to cope with external pressures. These moves are insufficient for prosperity in this new era of financial services because of pronounced shifts in customer attitudes and behaviours. In this scenario, supply chain management is a necessary strategic weapon to chart the way forward. This discipline involves planning, organizing, leading and controlling flows of physical and human resources, information, processes, capacity, service performance and funds from the earliest supplier to the ultimate customer. Supply chain management occurs at the functional level of strategy execution and can boost profitability by taking the right services to the right place at the right time and in the right quantities to maximize value delivered to customers at minimum costs.

In the global arena, competition takes place on the basis of supply chains and not merely among individual firms. Moreover, these supply chains change configuration quickly as organizations seek to achieve or sustain competitive advantage. Financial institutions that fail to assess and adjust supply chains on a timely basis are at risk of declining profitability. Yet, there is scant information on how to adapt service supply chains to changing environments particularly those of financial institutions where products are fungible (freely exchangeable in whole or part and in like or kind) and often involve long-term contractual relationships between suppliers, customers and firms. A crucial question arises. How should managers of financial services choose and leverage supply chains to boost firm profitability? The following discussion seeks to find the answer and evolve guidelines for success.

Leveraging Financial Services Supply Chain

In one of the few studies available on financial services supply chain, Field and Meile (2008) looked at the upstream or inbound logistics side of the supply chain and noted that supplier cooperation and long-term commitment are significant determinants of the extent of financial institutions' satisfaction with supplier performance. On the downstream or outbound logistics side, Xue, Hitt and Harker (2007) confirmed that customer efficiency, in terms of the amount of the firm's resources consumed during service delivery, affects retail banking profitability. These studies, though important, do not provide the holistic set of information needed for best results nor address issues of complex logistics and supply chain networks, such as Securities Processing and Global Custody. Organizational leaders need to take account of how all supply chain elements fit together from end to end to reduce uncertainty and meet the needs of customers in a cost-effective manner. This is done by assessing and adjusting key success factors, in dynamic ways, to align supply chains with competitive strategy and strengthen transaction flows for increased profitability.

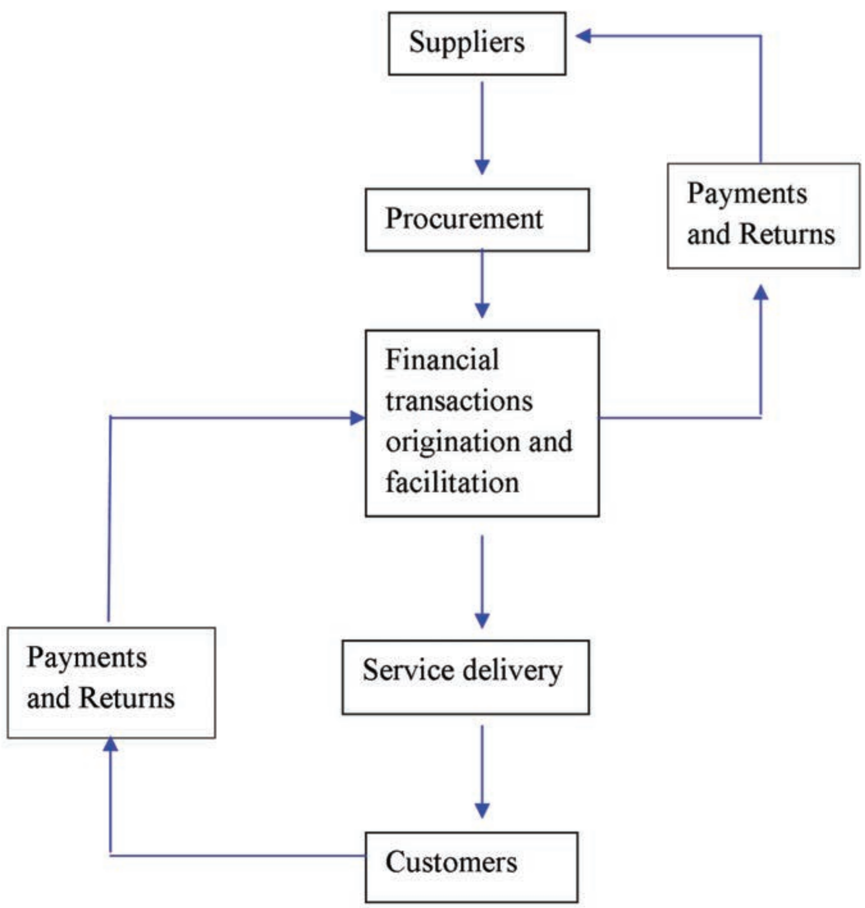


Figure 1. A Supply Chain Model for Financial Services

Goods and services are transported, to the financial institution, on the upstream or inbound side of the supply chain and services are distributed from the institution to customers on the downstream or outbound side (Figure 1). The model shown in Figure 1 can be scaled to suit supply chain complexity. Key decision areas include: choice and number of suppliers, resource procurement, processing of transactions, modes of service delivery and the target customers to be served. The financial institution earns income from operations by creating value for customers based on the nature, time, place and cost of transactions. There may be several tiers of suppliers and customers as well as a portfolio of supply chains within the organization. The supply chain may also span across national borders.

Suppliers may provide a range of goods and services such as stationery, equipment, maintenance and facilities upkeep, legal advice, accounting audits, information technology, treasury support, sub-custodianships, transaction processing and correspondent services such as funds transfer, clearing services, inter-bank funding and liquidity enhancement, exposure management, derivative transacting, counter-party services and private-label transacting. There is a growing trend of centralizing back office operations and refocusing physical branch activities towards sales or business development. This does not obviate the need for other channels of distribution of retail banking services, as customers simultaneously opt for branch, automated teller machine (ATM), automated response unit (ARU), Internet, Mobile or other modes of delivery at their convenience. Large organizations with multiple strategic business units (SBU) and complex functions such as treasury management need to balance an entire portfolio of supply chains to ensure congruence and avoid sub-optimization.

Special relationships exist between financial institutions and customers who operate on both sides of the supply chain by providing deposits or investments while taking loans from the same institution. The institutions must also manage reverse logistics involving returns to suppliers, or from customers, because of transaction errors or changes. For best results, supply chains must be aligned with competitive strategy, have appropriate structures, technical support and control systems cultivate the right relationships and carry acceptable levels of risk relative to returns.

Strategy

The supply chain is a strategic asset for executing competitive strategy and achieving competitive advantage. Typically, the firm faces a strategy tradeoff between supply chain efficiency and supply chain responsiveness. Those focused on efficiency tend to offer standard services. Firms geared toward responsiveness often customize services to suit the needs of particular clients.

Firms may adopt a competitive strategy of cost leadership to pursue economies of scale. This approach is driven by process innovation to reduce costs, maximize efficiency and deliver high output volumes for increased market share and lower prices. Cost leadership is often linked to the acquisition strategies of other institutions or business units where that segment of the industry is undergoing consolidation as smaller firms exit, while others gain economies of scale, as was the case of the Securities Processing Services industry in the U.S.A., in the 1990s.

Another strategy, product differentiation, is beneficial when the firm can satisfy unmet customer needs at premium prices. In this situation, the supply chain is driven by product innovation for better responsiveness in areas such as service flexibility, customization or customer convenience to maximize profit margins.

Structure

Supply chain structure and integration are important for executing competitive strategy. Each business unit and major functional area, of the financial institution, needs to create its own supply chain configuration that aligns with the mission and strategic objectives while being congruent with the rest of the organization.

The financial institution must consider the length of the supply chain because risk increases with the number tiers of suppliers and customers. Some institutions establish supply chain networks, such as correspondent banking and service provider alliances, to provide a wider array of services. However, this is accompanied by reputational risk and country and credit exposure which must be addressed by supply chain selection.

The extent of the institution's participation in the chain, by way of vertical integration or outsourcing, is another factor to consider. Large institutions tend to be vertically integrated with many inbound services available in-house. Some firms improve customer efficiency by providing outbound services through both physical and virtual channels as well as a choice of either self-service or employee-service formats. Outsourcing can reduce costs but also relinquishes control.

The supply chain may also be embedded in a cluster of interconnected organizations working together in partnership for increased productivity and competitiveness. In this milieu, financial firms sometimes compete directly against providers of technology who market cutting-edge solutions to drive business processes that were once the domain of banks, directly to their customers and support this with significant capital investments and resources.

Systems

Supply chain systems refer to the set of resources, facilities and processes used to generate customer value and benefits for the organization. Capacity and technology are at the heart of these systems.

Capacity

Great care must be taken when establishing the amount of work that a financial institution can handle. Too much capacity elevates the revenues required for breakeven while too little restricts the firm's earning power. To determine capacity needs, firms must balance demand forecasts over the long term against short term variations due to seasonality or other fluctuations. Managers should identify the constraint to transactions throughput, avoid downtime at the constraint, use other elements in the chain to support the constraint and explore other ways to overcome the constraint until the flow of transactions becomes acceptable.

Technology

Financial institutions should be alert to scientific developments for improving operations and building competitive advantage. Advances in information technology (IT) remove time and geographical constraints from communications and transactions while offering more options for service delivery to make supply chains more virtual (for example, global trading of financial assets which extends the transaction cycle to 24 hours per day and 7 days per week to increase transactions volume and velocity).Increased computing power and data storage facilitate the use of advanced analytics for faster and more granular decision-making in all areas including trading and risk management support. Digitization and integrated enterprise-wide systems automate processes for supply chain integration, customer order fulfillment, reports, transparency, compliance and security.

Another common feature is e-Commerce using technology in a web-based or other environment to facilitate supply chain flows conducted via electronic media such as Electronic Funds Transfer (EFT). Transactions conducted over these channels are accompanied by lower per item revenue, which must be matched by lower transaction unit costs achieved by scale efficiencies. Intensified information capabilities, such as Customer Relationship Management (CRM) systems, are essential for service delivery to meet changing demand and is based on customer value and cost and employment of data mining technologies. CRM helps institutions to optimize selling and cross-selling of services and also build customer loyalty using channels such as sales personnel, call centres, branch, ABM, ARU, Mobile banking platforms, e-mail or the Internet.

Relationships

A relationship is a connection, association or involvement between parties. This may or may not involve resource commitments to preserve or improve the connection. Normative relationship commitments involve emotional attachment between the parties based on goals or values. Instrumental relationship commitments focus on compliance driven by extrinsic rewards or punishment.

Firms must balance supplier, employee, customer and other stakeholder relationships to achieve the required levels of supply chain performance. The balance is achieved through networking, communications, workable targets and incentives for discretionary effort in support of the firm. Careful supplier selection, based on compatible values, with appropriate partnerships can build cooperation, trust and long-term commitment. There also needs to be proactive collaboration across the entire chain to bring effective and efficient service delivery to end-users.

Employees require training and incentives for creativity and innovation to achieve organizational goals. This includes setting conditions that foster trust – the extent to which a person is confident in, and willing to act on the basis of words, actions and decisions of another – and establishing clear parameters for employee discretion – exercise of power to make decisions regarding work focus, resource commitments and time. Firms should plan and execute recruiting and retention programmes to have sufficient talented staff and institute career development programmes to retain and retrain existing personnel that best internalize these values. Efforts should be made to translate these initiatives into measurable performance, while decisively dealing with under-performers and non-performers. The selection and management of this talent pool is a critical determinant of supply chain effectiveness.

Risk

Supply chains are vulnerable to environmental jolts that cause outcomes to vary from expectations. Managers should make risk-adjusted decisions by: (1) identifying and quantifying the likelihood and potential impact of risk factors, (2) agreeing the risk appetite of the organization in terms of what is too much or too little, (3) engaging stakeholders proactively to boost support for the organization (4) establish and disseminate appropriate risk policies and (5) prudent execution of risk strategies with mitigation plans, to cope with sources of risk, and also contingency plans to resolve the consequences of risk.

Generally, it is prudent to retain risks that have low probability of occurrence and low supply chain impact. Risks with low probability of occurrence but high impact should be transferred, for example, by way of insurance. Steps should be taken to reduce exposure to risks that have high probability of occurrence and low impact. Risks having high probability of occurrence and high impact should be avoided. Soft issues such as ethics must also be taken into account. Risk assumptions need to be conservative with rigorous back-testing and stress testing to determine the efficacy of the risk models used.

Managers must also differentiate between businesses that require diversification of risk (e.g. credit) versus businesses that require aggregation of risk (e.g. insurance) as an essential element of value creation and establish portfolio underwriting standards and policies to control these risks without capital loss. Financial institutions must have adequate capital to meet credit, operational and other risks. This serves as a cushion for potential losses and protects depositors and investors.

Assessing Supply Chain Alignment, Strength and Performance

Key supply chain factors emerging from the foregoing discussion are: efficiency, responsiveness, integration, capacity, technology (automation), incentives, innovation, and capital. To align and strengthen the supply chain, leaders of financial institutions must (1) score the extent of importance of each of these factors on a scale of 1 to 5, (2) rank each factor relative to the others based on scores for importance, (3) assign weights to each factor noting tradeoffs such as efficiency versus responsiveness, (3) assess and quantify the performance status of each factor on a scale of 1 to 10 and (4) calculate an overall weighted assessment of the strength of the supply chain. This approach facilitates supply chain congruence by aligning the chain with competitive strategy and revealing areas for strengthening.

Supply chain performance should be measured by Throughput Productivity (TP) defined as the difference between sales and truly variable costs divided by total non-variable operating expenses. TP is a metric that links supply chain flows to profitability. Financial institutions need to monitor TP over time to detect need for adjustment and also benchmark against other organizations. Large firms that have centralized operations, such as information systems, serving several SBUs simultaneously should compute TP, for each SBU, by allocating shared operating expenses based on the weighted ratio of SBU direct expenses divided by sales.

Case Illustration – Sunshine Cooperative Credit Union

Sunshine Co-operative Credit Union Limited (SCCU) was established in 1973 by way of amalgamation of 12 small credit unions in its parish. A credit union is a financial cooperative organized by a group of people to save money and make loans to each other at favorable rates. The vision of SCCU is to be the premier financial institution for members. The mission of the SCCU is to provide members with financial services of the highest quality to enhance their social and economic well-being, while ensuring a profitable, innovative and competitive organization. SCCU operates one facility only and pursues a strategy of product differentiation based on superior service quality and delivery.

The number of credit unions in Jamaica has declined from 60, in calendar year 2000, to 44 in 2009 due to mergers and acquisitions as these institutions try to increase market power in response to intensifying competition and declining interest rates. Over 70% of participants in Jamaica's labour force are members of credit unions. As at 2009, the combined credit union membership stood at nearly one million with assets of $55 billion (6% of total banking assets in Jamaica), deposits of $43 billion (8%) and loans totaling $35 billion (11%). Credit unions occupy 123 locations across all parishes in Jamaica and have a total of 15 automated teller machines (ATMs). Commercial banks have a combined 131 branches island-wide and 286 ATMs. The two major building societies have 45 branches and 47 ATMs.

Although most members hold the view that service quality is good, they do not use credit unions as their primary financial institution. Credit unions are perceived as having a narrow scope of products, serving lower income persons and lacking in convenient banking services. The growth rate of total credit union savings has trended downwards from 17% growth in 2004 to just 9% in 2009. Over the same period, the rate of growth of loans has also fallen from 28% to 3%. Credit unions lead the market for personal loans with just over 40% market share. The six commercial banks and four building societies are the main competitors.

SCCU continues to generate positive cash flow from operations and, if needed, can establish a line of credit for working capital support from the local Credit Union Association. The membership is comprised mainly of employees in the public sector and self-employed persons. SCCU's website shows company and product information and affords contact by electronic mail. The IT system needs upgrading to process more transactions, improve internal communications and provide better support for service delivery. SCCU outsources support services such as legal, accounting, IT services and facilities maintenance.

The strategic objectives of SCCU are to: (1) diversify revenue streams, (2) increase loans to customers in new geographic areas and in profitable segments, (3) upgrade information technology infrastructure and (4) develop human resources. Table 1 summarizes the recent performance of SCCU.

Table 1 **Sunshine Cooperative Credit Union statistics (J$ Million unless stated otherwise)**

	2008	*2009*
Gross Interest Income	147.1	157.2
Net Surplus	6.5	3.9
Loans	519.4	558.7
Investments	23.6	34.0
Deposits	465.3	557.9
Total Assets	704.6	828.8
Institutional Capital	71.9	93.4
Number of employees	28	32
Number of members	20,098	20,482
Productivity ratio ^	59.8%	60.3%
Throughput productivity**	72.4%	69.6%

^ Non-Interest Expense divided by Net Interest Income and Fees
** Sales minus Total Variable Costs divided by Non-Variable Expenses

Transactions are primarily deposit-taking, loans and investments. Individual Retirement Account (IRA) and small business loan are products at the early stage of development. Partner plan and permanent shares are growth products. Remittance services, personal loans and fixed deposits are at the mature stage of the product life cycle. Service delivery is entirely through physical channels – full service on site or via ATMs hosted by other financial institutions. Internet banking is being contemplated as a virtual channel to augment service delivery.

The major challenge facing SCCU is how to achieve these strategic objectives and improve its competitive position relative to other institutions in the financial services industry; by improving its supply chain and leveraging its capabilities to gain market share, efficiency and greater profitability. SCCU also faces the challenge of achieving growth in scalable businesses, with revenues driven by process improvement, in the light of high competition and must consider strategies of creating alliances and networks that can be integrated into the supply chain effectively.

SCCU has also embarked on a programme to train staff on five dimensions of service quality including (1) tangibility (physical appearance of service facilities and personnel), (2) reliability (the extent to which service is dependable and accurate), (3) responsiveness (provision of prompt and willing service), (4) assurance (the extent to which employees convey confidence, knowledge and courtesy) and (5) empathy (provision of caring individualized attention).

SCCU recognizes that its supply side initiatives must be matched by demand side evaluations centered on measures of customer satisfaction and customer attrition (loss of customers to other institutions and products) and adjust its Supply chain accordingly. Table 2 shows an assessment of the supply chain at SCCU using factor rating analysis. The raw score is computed on a scale of 1 to 10 from the lowest to highest or most favorable score. Weights were assigned by the judgment and experience of SCCU management.

This analysis is done at the level of the strategic business unit but may also be done at the product level. The weights, for supply chain factors, shown in Table 2 reflect alignment of the supply chain in terms of the extent of emphasis placed on each factor. The raw scores enable management to spot problems or weak areas for urgent attention (low scores). The total weighted score indicates the overall strength and downside risk inherent in the supply chain. SCCU's total weighted score of 6.55 is somewhat low (indicating moderate risk) and the figures suggest that SCCU needs to improve technology and innovation.

Table 2 **SCCU Supply Chain Analysis**

	Supply Chain Factor	*Weight*	*Raw Score Out of 10**	*Weighted Score Out of 10**
1	Efficiency	0.15	8	1.20
2	Responsiveness	0.05	7	0.35
3	Integration	0.20	6	1.2
4	Capacity	0.10	8	0.8
5	Technology	0.10	4	0.40
6	Incentives	0.10	8	0.80
7	Innovation	0.10	4	0.40
8	Capital	0.20	7	1.40
	Total (Supply Chain Strength)	1.00		**6.55**

(*Scale of 1-10; with 1 being the lowest and 10 the highest)

Conclusion

The issue of supply chain management for financial institutions remains hitherto an under-explored area of research that provides new frontiers for unlocking corporate value by taking a comprehensive approach to the design and execution of transaction flows for maximum profitability. Supply chain management policies should be established with oversight placed in the hands of senior personnel for proactive vigilance on supply chain congruence and value creation. Financial institutions are urged to apply factor rating analysis to align and strengthen supply chains with the results measured on the basis of throughput productivity. This approach is grounded in the following proposition:

Firm Profitability = ƒ(Throughput Productivity) = ƒ(Supply Chain Alignment and Strength)

Suggested Readings

Ellram, L. M., Tate, W. L. and Billington, C. (2004). Understanding and managing the services supply chain. Journal of Supply Chain Management, 40(4), 17-31.

Field, J. M. and Meile, L. (2008). Supplier relations and supply chain performance in financial services processes. International Journal of Operations & Production Management, 28(2), 185-206.

Freeman, J. (2007). Theory of Constraints and Throughput Accounting. Chartered Institute of Management Accountants: Great Britain

Hatzakis, E. D., Nair, S. K. and Pinedo, M. L. (2010). Operations in financial services – an overview. Production and Operations Management, 19(6), November-December, 633-664.

Hopp, W. J., Iravani, S. M. R. and Liu F. (2009). Managing white-collar work: An operations -oriented survey. Production and Operations Management, 18(1), January-February, 1-32.

Lawrence, W. W. (2007/8). Small Business Operations Strategy: Aligning Resources and Priorities. Journal of Small Business Strategy, 18(2), 89-103.

Meynell, D. (2003). Automating the financial supply chain. Business Credit, 105(4), April, 61-69

Xue, M., Hitt, L. M. and Harker, P. T. (2007). Customer efficiency, channel usage, and firm performance in retail banking. Manufacturing & Service Operations Management, 9(4), 535-557.

Wynter, B. (2011). The role of the financial sector in the development of a modern economy. Paper presented on 6 June 2011 at the Canada-Caribbean Emerging Leaders' Conference.

Commentary

Suppliers, employees and customers who have a shared set of values will motivate the discretionary effort needed for superior supply chain results. Leaders should adopt strategic human resource initiatives to build a common vision throughout the organization.

Retail Banking Consumer Attitudes and Behavior:
Implications and Insights for Business Strategy and IT Governance

Evan Duggan
Executive Director,
Mona School of Business &
Professor of MIS, UWI, Mona

Maurice McNaughton
Director, Centre of Excellence,
MSB, UWI, Mona

Abstract

The recent upheavals in the financial industry caused by the economic recession have left a lingering feeling of distrust among retail banking consumers. The challenges within the banking sector have been further complicated with the global changes being induced by the technology landscape. Competitors are no longer local in this globalized economy, conventional retail channel strategy is being disrupted, and customers are more demanding and have several options for retail financial services. Banks must now switch their focus to a more customer-centric approach enabled by technology in order to differentiate their offerings and target new, innovative services and delivery mechanisms to retain existing customers and reach previously unbanked consumers.

This study suggests that financial and educational literacy, bank fees, trust, financial standing, enrollment requirements and awareness all play a role in new customer acquisition. These have implications and raise key questions for senior executives in the banking and financial sectors, in relation to ***Business and IT Strategic Alignment, IT Governance, and IT Enterprise Architecture, and Project Governance***. Additionally, an investigation of consumers' typical usage patterns, awareness and perception of the potential benefits and impact of the mobile phone suggest both potential market opportunities and perceived risks for mobile financial service delivery. The findings underscore the importance of building consumer awareness and confidence in mobile financial services prior to large scale market introduction.

Introduction

The banking sector has been severely challenged by recent financial and economic upheavals whose origins have been attributed to the poorly designed financial instruments. This has contributed to lingering suspicions and doubt among consumers of financial and banking products and services. Banks have borne the brunt of this predicament through increased charge-offs and write downs on bad loans[1].

The negative impact of the financial crisis resonates throughout the research community and an Ernest and Young banking consumer survey[2] indicated that this predicament has had a negative impact on the banking sector, which has created significant challenges in maintaining existing customer relationships and managing the adverse and uncomplimentary perceptions of consumers. The authors of the study noted that a new post-crisis customer has emerged with a clear focus on brand integrity, value for money and quality of service and intimated that, in order to reconnect with customers, banks must now deliver a more efficient customer-focused and innovative offering.

[1] *Erskine, B., S. and McGinty, M. J. (2009). "The Case for Customer Focused Banking –Moving to the Next Generation of Customer Focused Management FIS*
[2] *Ernst and Young (2011). "A new era ofcustomer expectation: Global Consumer Banking Survey 2011 Ernst and Young*

Erskine and McGinty[1] noted that in the late 1990s, financial services companies viewed customer relationship management (CRM) approaches as the primary vehicle for advancing competitive positioning; however by the early 2000s, this concept had lost considerable traction as CRM became a competitive necessity; financial institutions that were able to plan, construct, and execute a customer strategy benefited greatly.

Despite the need for a more consumer-focused approach, many retail banks have been slow to embrace the emergent consumer-driven approaches and have struggled to apply technology to enhance customer relationships[3]. As a consequence, banks are facing threats from a myriad of web-based newcomers such as P2P (peer-to-peer) lenders (e.g.,Zopa and Prosper), or pay¬ment services from organizations such as PayPal or M-PESA in Kenya. To survive in the current environment retail banks must discover new ways of enhancing their relevance to consumers and become adept at translating this knowledge into economic returns[3].

In spite of the fact that services offered by financial institutions have remained relatively consistent over the years, the markets in which financial institutions operate have undergone dramatic changes. Factors such as liberalized domestic regulation, intensified international competition, rapid innovations in new financial instruments, and the explosive growth in information technology (IT) have fuelled these changes[4]. Prior to the proliferation of IT application in banking, customer-focused service delivery was quite disjointed[5]. There has been a paradigm shift from the model where retail financial institutions established the rules for conducting business with their customers, to the situation where web-enabled technologies now drive significant change and shape customer expectation. A more telling measure of the effects of technology is that most industries envisioned IT as a means of decreasing costs and increasing efficiencies and did not anticipate that technology would permanently alter consumer behaviour[3].

Despite industry protestations to the contrary, the global financial sector has lagged behind other industries in optimizing the potential of IT to transform customer service and most banks have done little in the last few years to become more customer-focused[6].

Closer home the exploitation and application of available IT have been less than robust. Jamaica's technological readiness has been rated in the middle of the global pack (72 of 142 countries in the latest Global Competitiveness Index (GCI) and 73 of 138 in the Network Readiness Report, both published by the World Economic Forum. Jamaica also ranks highly for Financial Market Development in the GCI (52 of 138) and 56 of 142 in the sub-index measuring Soundness of Banks; however, the Affordability of our Financial Services was ranked at 98 of 142. One possible inference from the conflicting indications is that the IT infrastructure is adequate but the application is not robust enough to translate to significant customer benefits.

Rationale for the Study

The current economic climate in which banks operate demands a consumer-centric banking focus that is enabled by technology aligned with business strategy. The Boston Consulting Group intimated that in navigating this new landscape "universal banks that have strong brands and a customer customer-centric offering stand to prosper" especially in the competition for depositors and the primacy of relationships1. The financial sector in Jamaica is seemingly slow to embrace advanced IT to understand and inform consumer-centric banking.

In this regard the current research is anchored in the notion that delivery of financial services through

[1] *Erskine, B., S. and McGinty, M. J. (2009). "The Case for Customer Focused Banking –Moving to the Next Generation of Customer Focused Management FIS*
[3] *Hislop, A. (2009). "Next-gen Web: Toolsfor Building Strong Customer Relationships in Retail Banking" Cisco Internet Business Solutions Group (IBSG)*
[4] *Frei, F., T., Harker, P., T., and Hunter, L., W., (1998). "Innovation in Retail Banking" Financial Institution Centre*
[5] *Sundaram, Y. (2011). "Using Technology to Focus on Banking Customer" Finacle from Infosys*
[6] *Hicks, D. and Turner, S. (2009). "Optimizing the Customer Experience – An Opportunity for Retail Banks to Rebuild Trust and Create Differentiation" Mulberry Consulting*

the mobile channel is a value-added offering that should be considered as a service differentiating experience, which also provides the capability to stay connected to customers. In order to inform the decision by Jamaican banks and other financial service providers to embrace this technology and attendant investments the study examines retail banking consumer attitudes and behaviour in Jamaica and evaluates consumer awareness of, and interest in mobile financial service delivery.

Significance

The primary activity of consumer-focused banking is the accurate assessment of consumer preference as a means of managing product and channel offerings; whether customers desire a simple banking process, personalized service, the ability to use the latest devices, a facility to view updated banking information or all of the above. Banks should aim to maximize value for and to enhance the banking experience in innovative ways[5].

This research therefore seeks to gain insights into the behaviour patterns of banking consumers in Jamaica and gauge their interest in mobile banking services. Similar investigative surveys are being carried out in various countries (e.g., Kenya, Brazil, the Philippines, South Africa and India) in order to assess the prospects for unbanked customers of branchless channels and to develop a profile of these consumers and their usage patterns[7].

The Consumer-focused Approach

Global financial institutions have undergone significant changes as a result of mergers and acquisitions, deregulation, increased competition, and advances in information systems and technology[8] and the ravages of the recent economic turmoil and the resulting changes in regulations[9]. Not many retail banks have escaped intact and the industry continues to adjust to the resulting shifts in this environment[6, 10].

In order to transition successfully from efficiency-driven benefits associated with low- level IT applications to transformational outcomes, retail bankers must continue to adapt their information management strategies to a new milieu that incorporates customer-connectedness, value creation, performance measurement, and risk mitigation in a new epoch in which customers are increasingly mobile and more demanding . The combination of highly publicized bank failures, government bailouts, public outrage at senior executive compensation, and growing consumer resentment of the proliferation of fees has helped to erode trust, the foundation on which banking relationships are built[6].

According to Erskine and McGinty[1], a customer-focused business culture is one which allows an organization to understand and influence customer behaviour, which in turn enhances the company's revenues. They noted that to in order to achieve this culture, create the opportunity for product differentiation, and generate the corresponding financial results, banks must synergistically meld these four elements (see figure1).

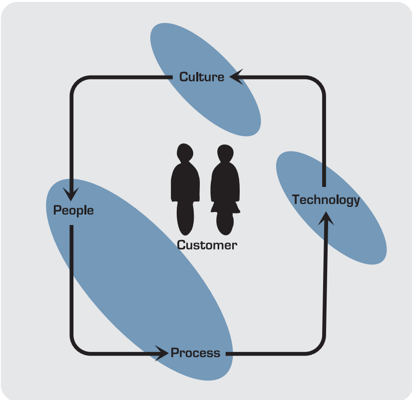


Figure 1. Customer-Focused Banking
(Erskine and McGinty, 2009)

Banks have a distinct home field advantage over other business organizations in the consumer-

[1] *Erskine, B., S. and McGinty, M. J. (2009). "The Case for Customer Focused Banking –Moving to the Next Generation of Customer Focused Management FIS*
[5] *Sundaram, Y. (2011). "Using Technology to Focus on Banking Customer" Finacle from Infosys*
[6] *Hicks, D. and Turner, S. (2009). "Optimizing the Customer Experience – An Opportunity for Retail Banks to Rebuild Trust and Create Differentiation" Mulberry Consulting*
[7] *Pickens, M., Porteous, D. and Rotman, S. (2009). "Scenarios for Branchless Banking in 2020" CGAP and DFID*
[8] *Ombati, O., T., Magutu, P., T., Nyamwange, S., O., and Nyaoga, R. B. (2010). Importance and Performance of Various Factors Considered In the Electronic Banking Services" African Journal of Business & Management (AJBUMA)*
[9] *The economic intelligence unit (2010). "Managing information effectively: a necessity for retail banking" Hewlett-Packard Development Company*
[10] *Business Insights (2009). "The Outlook for Retail Banking in Europe and the US: The impact of the financial crisis on competitive positioning and market development" Business Insights*

focused[5] service delivery arena; they gather large volumes of data during the course of day to day operations, which when mined appropriately can yield significant actionable insights that can position them to reap the following benefits[6]:

• ***Return on Investment:*** Business intelligence from the appropriate tracking of customer profile can provide a potent guide to designing product offerings for current and potential customers that can be linked to the deployment of IT solutions and provide a clear framework for linking ROI to particular interventions .

• ***Internal alignment:*** Clear agreement of the desired customer experience and a comprehensive map of the customer journey are powerful tools for achieving internal alignment of functions and better business process management that could have positive impacts on staff morale and motivation and service quality.

• ***Customer retention:*** A positive service experience helps banks maintain customer retention rates.

• ***Cost control:*** Improving efficiency and effectiveness by eliminated waste and reducing rework. (e.g. when repeat interactions and escalation are required to satisfy a customer need). Similarly "Customer Journey Mapping" can help businesses build models of customer behaviour and implement the appropriate interventions, thereby reducing costs over time.

• ***Segmentatin:***. Customer Journey Mapping can reveal the flaws in some segmentation models and can also provide data and insights leading to more nuanced strategies. For example, banks tend to segment customers around attributes rather than circumstances, which can easily lead to a "one size fits none" outcome, even within a single customer segment.

• ***Differentiation:*** Traditional benchmarks such as number of branches and ATMs, product innovation, and price no longer lead to sustainable differentiation by themselves. As more players enter the industry and technology continues to level the playing field, delivering an optimized Customer Experience in support of a clear brand value proposition has become the new normal.

The Role of ICT

It has greatly facilitated the efforts of banks to institutionalize customer data and endow them with the capability to map customer behaviour and project future requirements[5]. The technology not only simplifies the banking process and service channels but also plays a greater role in enabling financial inclusion[12]. Aside from the obvious developmental impact, this provides banks with an avenue to pursue growth opportunities for new financial services and customer segments that have traditionally been either difficult or unprofitable to access.

A case study[13] on microfinance and mobile banking in Malawi evaluated the successes of embracing technology to transform the Opportunity Bank. In a country where 80 percent of the people live in rural areas with little infrastructure, Opportunity Bank knew that traditional models of microfinance would not bring scale fast enough. The bank had already used technology to good effect, to develop alternative distribution channels like biometric automated teller machines (ATMs), mobile vans, and kiosks in marketplaces equipped with point-of-sale (POS) devices. As the CEO (Opportunity Bank) pondered the future direction of the bank, he acknowledged the fact that the current distribution channels were not enough to service all the customers, considering the day to day reality of the bank being congested with customers as soon as it is opened. After hearing news of the successes of M-PESA in Kenya the CEO decided to dedicate significant resources for developing an m-banking channel as part of the bank's strategic plan.

---

[5] *Sundaram, Y. (2011). "Using Technology to Focus on Banking Customer" Finacle from Infosys*
[6] *Hicks, D. and Turner, S. (2009). "Optimizing the Customer Experience – An Opportunity for Retail Banks to Rebuild Trust and Create Differentiation" Mulberry Consulting*
[12] *Banerjea, S. and Diwanji, A. (2011). Technology Enabled Transformation in Banking: The Economic Times Banking Technology Conclave" KPMG*
[13] *Kabir, K., McKay, C., and Rotman, S. (2010). "Microfinance and Mobile Banking: The Story So Far." Focus Note 62. Washington, D.C.: CGAP.*

Empirical evidence suggests that globally, one billion people who do not have a bank account have a mobile phone. It is estimated that in 2012 the number will grow to 1.7 billion, making mobile phones a direct conduit to nearly half of the world's unbanked population.

M-PESA

In March 2007, the leading cell phone company in Kenya, Safaricom, formalized m-banking with the launch of M-PESA an SMS-based money transfer system that allowed individuals to deposit, send and withdraw funds using their cell-phones. M-PESA has grown rapidly and is currently viewed as an exemplar of effective use of mobile technology to extend banking channels and effect financial inclusion, particularly in the developing world[14]; albeit with room for refinement.

According to Jack and Suri[15], M-PESA has become the most successful mobile phone-based financial service in the developing world. Remarkably, just over two years after its implementation, a total of 7.7 million accounts were registered and new registrations per day approached 10,000 (see figure 2).

M-PESA provided other services (see figure 3); however, the key factor that triggered its rapid adoption was the domestic remittance service - 'send money home' facility[15] - used largely in split family situations where the bread-winner is typically dislocated from the rest in urban centres.

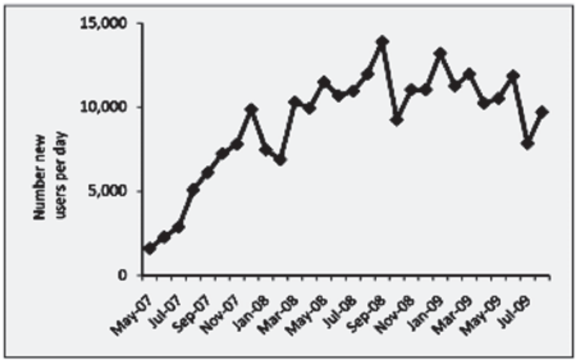


Figure 2. **Average daily growth in M-PESA registration by month** **(Jack and Suri, 2007)**

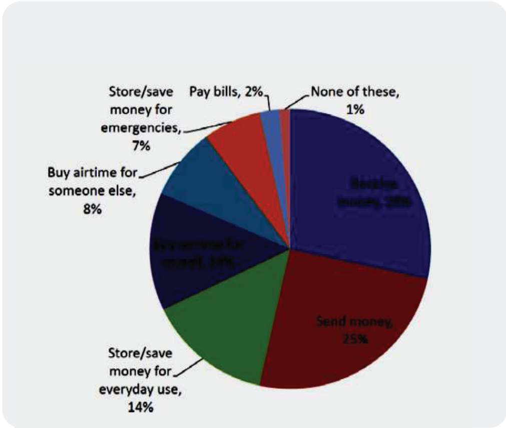


Figure 3. The uses of M-PESA **(Mas et. al. 2010)**

Understanding the Un (under) banked

Global researchers confirm that unbanked populations far exceed the banked in developing countries. For example, in Indonesia approximately 40% of poor households are deemed to be creditworthy, but less than 10% borrow from a formal lender[16]. In South Africa the banked and unbanked populations are 51% and 49% respectively, and only 9% of Tanzanians have access to formal banks; 89% either have no access or rely on informal financial services[17].

Banking demographics further indicate that large unbanked populations also exist in even developed countries. According to 2008 statistics[18] over two million families in the United States are unbanked, that is without checking or savings accounts and thirty-eight million households are under-banked (meaning that they have not made a bank transaction in the past 30 days[19].

Banerjea and Diwanji[20] proposed two preconditions for promoting increased banking activity among

[14] *Jack, W. and Suri, T. (2010). "The Economics of M-PESA" Georgetown University and MIT Sloan*
[15] *Mas, I., Radcliffe, D., Gates, B. and Gates, M. (2010). " Mobile- Payments go Viral: M-PESA in Kenya, Bill & Melinda Gates Foundation*
[16] *Johnston, D. and Morduch, J. (2008). "The Unbanked: Evidence from Indonesia" The World Bank Economic Review, VOL. 22, NO. 3, pp. 517–537*
[17] *Bångens, L. and Söderberg, B. (2008). "Mobile Banking – Financial Services for the Unbanked?" The Swedish Program for ICT in Developing Regions, SPIDER*
[18] *Hogarth, J. and Koide, M. (2008) "The Burden of the Unbanked in Indiana Briefing Report" Indian Family Impact Seminar*
[20] *Banerjea, S. and Diwanji, A. (2011). Technology Enabled Transformation in Banking: The Economic Times Banking Technology Conclave" KPMG*

the unbanked - accessibility and ease-of-use of the banking services. However, limited disposable income is also a factor. In analyzing the relatively low level of banking penetration in India, where only 400 million customers of a population of 1.2 billion have bank accounts and only 38% of bank branches exist in rural India, the authors 20 suggest five main reasons for this low penetration (see figure 4).

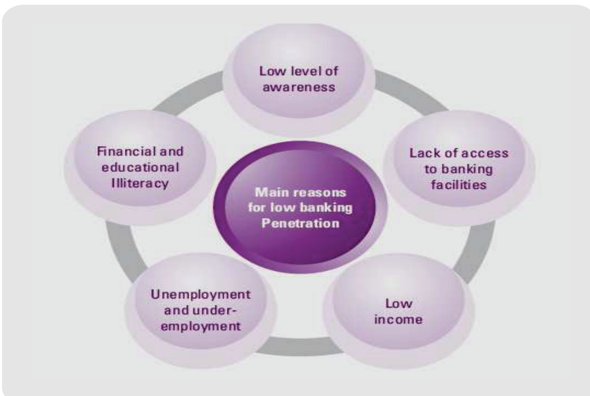


Figure 4. Framework for low banking penetration (Banerjea and Diwanji, 2011)

Other authors[8,17] have identified reasons such as the cost of using alternative financial services (e.g., payday lenders), the burden of minimum deposits, no service adjustments for low-income clients, and distrust of financial institutions for low banking penetration.

The microfinance industry has demonstrated that the extreme poor are bankable[21]. They repay (even high interest rate) loans and with very low default rates. Banks and technology providers must therefore extend their analysis and understanding of the behaviour patterns of the unbanked as potential consumers[8], and establish accommodating mechanisms, which could redound to their benefit in increased customer base and market share, for first movers.

The concept that now pervades the banking literature is the need to analyze and understand consumer behavior in order to inform strategic choices. We therefore propose the research model (figure 5), which incorporates the factors deemed to influence the adoption of novel banking services.

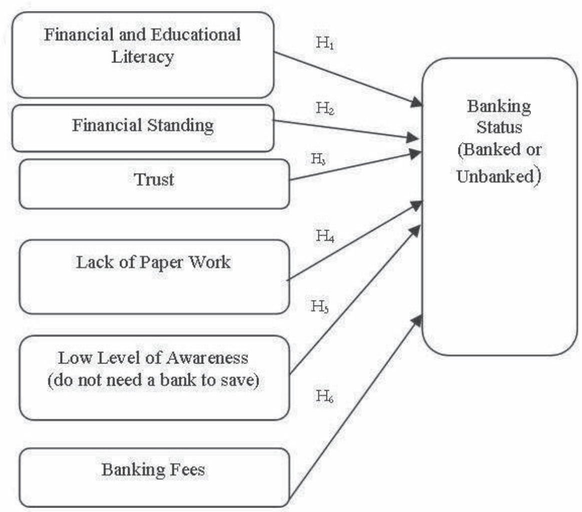


Figure 5. Research Model

Methodology

A randomly-selected, nationally representative sample of two thousand four hundred and seventy six (2476) respondents from all 14 parishes was surveyed using proportionate stratified sampling. The data was analyzed using logistic regression[22].

Research Findings

• ***Demographics***

The majority (24%) of the respondents were between the ages 25 to 34 years old, and 23% represented the age group 35 to 44 years (see figure 6).

38% of the respondents were employed and 24% self-employed (see figure 7).

[8] *Ombati, O., T., Magutu, P., T., Nyamwange, S., O., and Nyaoga, R. B. (2010). Importance and Performance of Various Factors Considered In the Electronic Banking Services" African Journal of Business & Management (AJBUMA)*
[17] *Bångens, L. and Söderberg, B. (2008). "Mobile Banking – Financial Services for the Unbanked?" The Swedish Program for ICT in Developing Regions, SPIDER*
[21] *Firpo, J. (2005). "Banking the Unbanked: Technology's Role in Delivering Accessible Financial Services to the Poor" SEMBA Consulting*
[22] *Logistic regression is a specialized form of regression that is formulated to predict and explain a binary categorical variable*

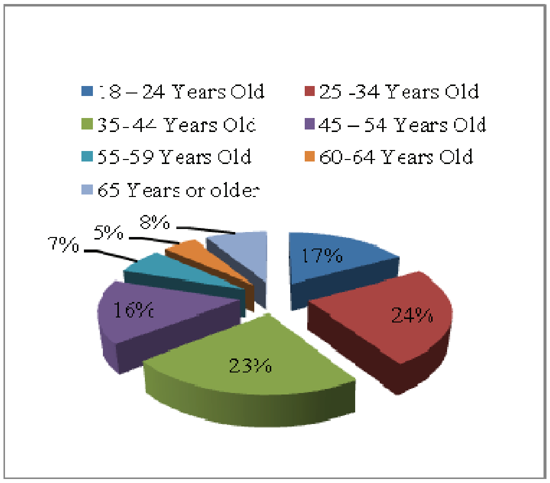


Figure 6. Age group of respondents

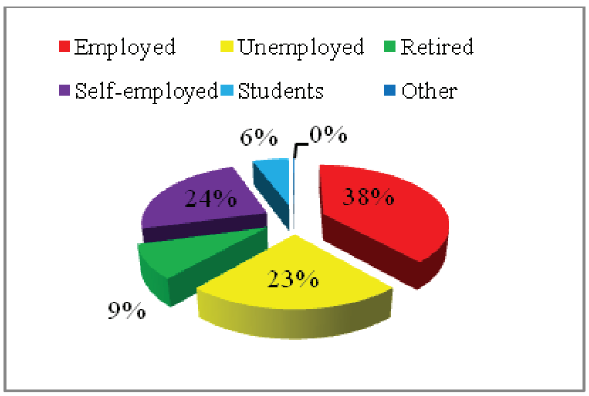


Figure 7. Employment status of respondents

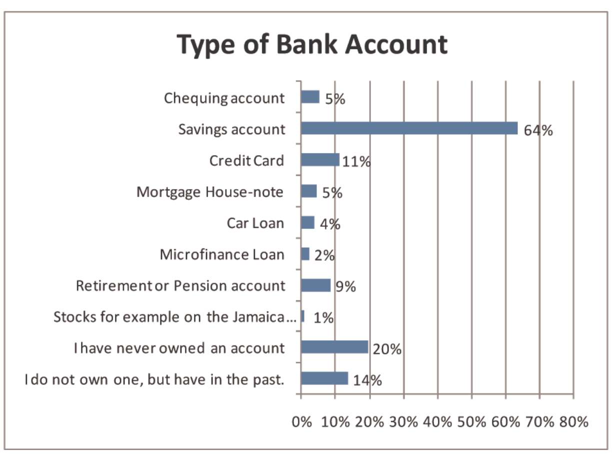


Figure 8. Accounts owned by respondents

• ***Banking Status***

An assessment of the type of financial accounts owned by respondents revealed the following:

• 34% of the adult population in Jamaica do not own any type of bank account (unbanked)

• Of the 66% that own a bank account, only 12% own transactional accounts (i.e. money transfer accounts, checking accounts and credit cards – Highly Banked)

• ***Adoption Barriers for the Unbanked***

The reasons given by respondents for not having bank accounts are shown in Table 2 below:

Table 2: Barriers to Banking for the Unbanked

I do not have accounts because...	Yes	No
I do not have some of the paper work such as TRN Number	25.8%	74.2%
I live/work too far from the bank/atm	7.2%	92.8%
of bank fees; atm; overdraft; interest cost; check processing	13.8%	86.2%
of the amount of money I have	59.4%	40.6%
I have no need for cheques	3.6%	96.4%
I do not need a bank to save	18.4%	81.7%
It is more work than it is worth to me	5.9%	94.1%
I do not trust banks	17.0%	83%
of record keeping	17.0%	83%
of the need to read and understand bank documents	7.9%	92.1%

• ***Mobile Phone Use***

95% of the respondents owned a mobile device, slightly lower than the national penetration.

We examined the typical usage patterns as well as the perceived benefit/impact of the mobile phone. As shown in fig. 9, most participants utilize their mobile devices for the purpose of communication (via calls - 95% or text messaging - 63%). It is also worth noting that just under 50% of respondents see the mobile phone as an important means of access to information.

In relation to the perceived benefits of the mobile phone (fig 10) access to information again rates highly, together with greater productivity (less time travelling) and reduced costs.

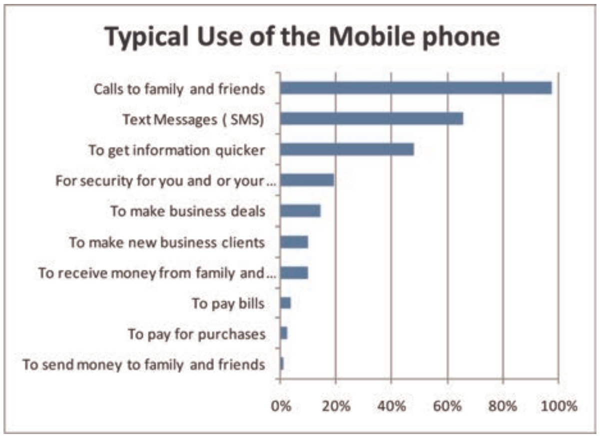


Figure 9. Use of mobile phone

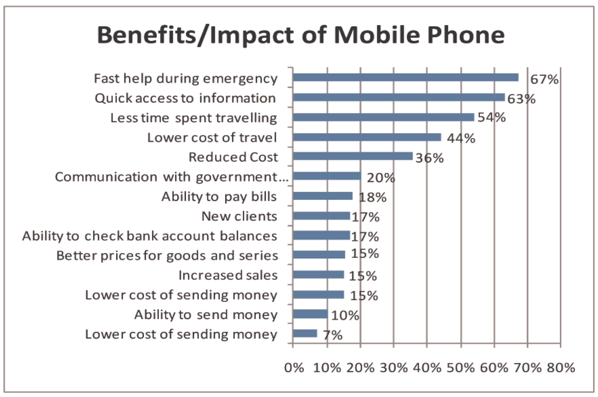


Figure 10. Potential impact of mobile financial services

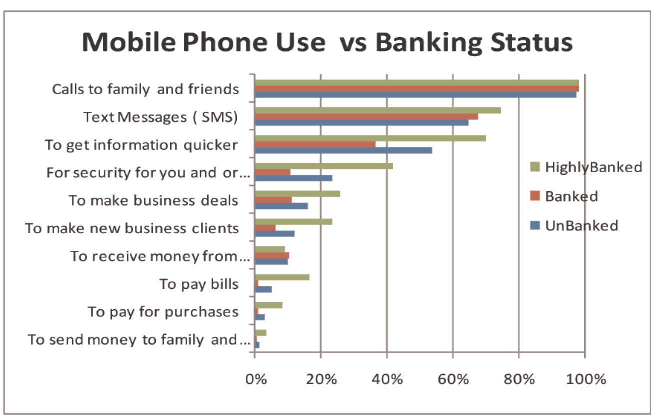


Figure 11. Mobile phone use by banking status

Further examination of the mobile phone usage behavior by customer segment (fig. 11) suggests that the highly-banked consumer has a greater inclination to business-oriented activities such as information retrieval, bill payments and making business deals/new clients.

Based on the statistical analysis of the relationships depicted in the research model (fig 5), all of the variables tested were found to have a significant impact on the intention to adopt banking services.

Unbanked = ƒ(Literacy, Fees, Trust, Relevance, Financial Standing, Lack Paper Work)

Discussion and Conclusion

It is becoming increasingly important for banks to meet or exceed their customers' service quality expectations. The first step in this process is the understanding of the consumption profile and adoption behaviour. The results of the study confirm the theorized notion that financial and educational literacy, bank fees, trust, financial standing, lack of paper work (i.e. enrollment requirements) and awareness all play a role in motivating consumer adoption of banking products and services. Understanding the behavior and expectations of the consumer will help to inform appropriate business and technology strategy choices within a properly designed corporate and IT governance structure. Information technology clearly has a significant role to play in executing the selected banking strategy, by enabling, through greater operational efficiency, improved management and decision support and leveraging CRM business intelligence to understand and act on customer behavior patterns and preferences.

Mobile technology provides a platform for channel diversification and increasing a bank's customer base and product offerings by extending its reach to traditionally unbanked consumers. The inherent benefits of mobile banking go well beyond the lowering of transaction costs, and include convenience, ubiquity, coverage, flexibility, interactivity, and greater accessibility, as compared to conventional banking channels. While the survey data does not indicate any significant degree of utilization of the mobile channel for financial transactions, it is clear that customers see the mobile phone as an important device for convenience, cost-savings and access to information. The familiarity with SMS text messaging, albeit as a means of communications, suggests that the learning curve to accessing financial transactions using SMS as the data transport should not be a difficult barrier.

Finally, in crafting a strategy for mobile financial services banking executives and technologists need to carefully examine and determine the linkages between the technology and how it can help to mitigate the barriers to consumer banking adoption, identified by the study, namely Financial/Educational Literacy, Fees, Trust, Relevance, Financial Standing, Paper Work (enrollment requirements).

Other relevant questions to be addressed include:

Banking Strategy

- What customer segments to target (e.g., unbanked)
- What is the appropriate retail channel strategy
- Who are the emerging/new competitors IT Strategy Alignment
- How best to use IT such as mobile banking to enhance competitive positioning
- How to leverage CRM for greater customer intelligence
- How to integrate customer facing systems with internal operational systems

IT Governance

- How to ensure that IT investments produce the intended business value
- How to measure performance and mitigate risk

Commentary

A challenge often faced by organizations is how to quantify the net benefits from existing and potential investments in information technology.

Towards a Performance Management System for Caribbean Financial Services

Director, Professional Services Unit, MSB, UWI, Mona

Abstract

This article integrates the proceedings of Caribbean Executive Leadership Series 2012 to develop a Balanced Scorecard strategy map with Key Performance Indicators to guide strategic decision-making in financial institutions. The map is validated using case evidence from the JMMB Group, a Jamaican-based enterprise.

Introduction

Organizational performance reveals the extent to which desired outcomes are realized effectively and efficiently. Providers of financial services need to balance multiple and often conflicting goals such as satisfying customers, motivating employees, generating returns for shareholders and helping governments to execute monetary policies. Performance management systems can help by aligning operational activities with the mission and strategies of the organization.

The Balanced Scorecard (Kaplan and Norton 2004; 1990) has emerged as a popular performance management system for developing the strategic objectives into projects or routine initiatives. This process involves (1) preparing a strategy map for turning resources into accomplishments based on four perspectives (financial, customer, internal processes and learning and growth), (2) deciding key performance indicators (KPIs) to define and measure progress towards achievement of strategic objectives, (3) establishing explicit targets for strategic objectives and (4) identifying the work needed to achieve each strategic objective.

Some important outcomes of Balanced Scorecard performance management systems include a schedule of organizational activities ranked in order of priority over the strategic planning horizon, effective allocation of resources, easy tracking and control of strategic activities and mission-focused teamwork and creative effort.

Participants in the Caribbean Executive Leadership Series 2012 identified the following attributes of the region's financial services sector:

Strengths:

- Strong capitalization
- Robust regulatory framework
- English language skills

Weaknesses:

- Low levels of innovation
- Under-developed capital markets
- Small size of markets
- Weak Spanish and French language skills

Opportunities:

- Under-served small business sector
- Large unbanked population
- Low penetration of markets in Latin America
- Insufficient cross-border strategic partnership

Threats:

- Disintermediation from non-financial entities
- Increased capital requirements
- New regulations
- Competition from near-bank and non-bank entities
- Low growth of Caribbean economies
- Money laundering

- Natural disasters

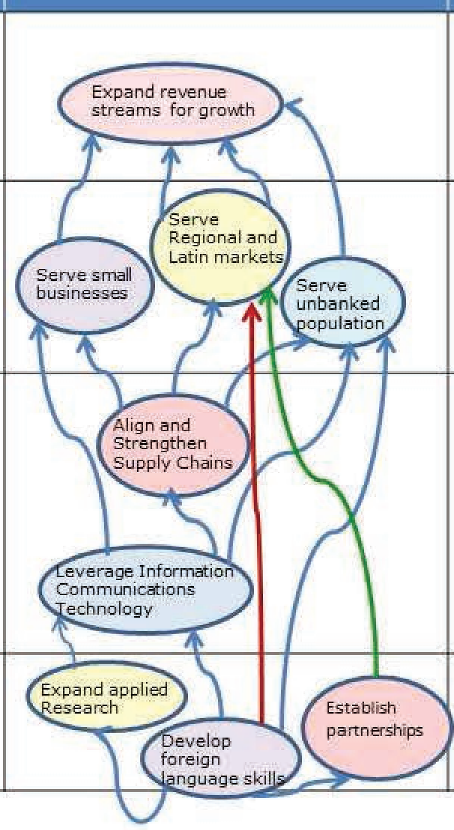
Figure 1 translates these attributes into a Balanced Scorecard Strategy Map with KPIs to chart the way forward for organizations in the Caribbean Financial Services sector. The map shows revenue growth as the financial strategic objective. Carrillo (2012) posited that new sustainable growth arises from innovation to create products and enter new markets often through mergers and acquisitions or other partnerships. According to Bullock (2012), over-exposure to government debt and shadow banking are among the major trends signaling the need for providers of financial services to explore new revenue streams. From the perspective of the customer, the strategy map shows three strategic objectives: serving small business sector, regional and Latin markets and the unbanked population.

Ying (2012) noted that desired results arise from how leaders convey vision, engage people and manage capabilities. Successful leaders focus on a few mission-critical goals, act on key measures impacting goal achievement and use visible scoreboards to measure success and motivate employees. These views are in line with the philosophy of the Balanced Scorecard. Each of the nine bubbles in the strategy map, shown in Figure 1, represents a strategic objective or focal point for specifying targets and crafting specific projects or routine initiatives to suit the individual organization.

With regard to internal organizational processes, Lawrence and Thomas (2012) underscored the crucial importance of aligning and strengthening financial services supply chains for effective strategy execution and increased profitability. Duggan and

Caribbean Financial Services Balanced Scorecard

Perspective	Strategy Map – Actions for turning resources into accomplishments	Key Performance Indicators	Targets	Strategic Initiatives
Financial		• Number of markets • Number of product lines		
Customer		• Customer satisfaction • Number of transactions • Percentage penetration		
Internal processes		• Throughput Productivity • Quality of support		
Learning & Growth		• Number of new projects with partners • Number of bi-lingual staff		



McNaughton (2012) argued that technology is a strategic asset for differentiating service offerings to increase revenues from existing customers while reaching previously unbanked consumers. The strategy map leverages the technology-driven supply chain to drive new business for profitable revenue growth. For sustained competitive advantage, organizational leaders should monitor Throughput Productivity to signal when supply chain adjustments are required.

Caribbean financial institutions can learn and grow by expanding applied research capabilities to generate new knowledge for innovation, developing the foreign language skills of employees and exploiting strategic partnerships for organizational growth and profitability (Carrillo 2012).

Case Example – The JMMB Group

The JMMB Group (JMMB) is the third largest financial institution in Jamaica and the largest investment brokerage house in the Caribbean. The company serves over 160,000 clients in Jamaica and overseas by offering a wide range of services including investments in local and foreign currencies, asset portfolio management, cambio, commercial and retail loans, financial advisory services, corporate finance, equities, pensions management and insurance for individuals and companies. JMMB is listed on the stock exchanges of Jamaica, Barbados and Trinidad and Tobago.

JMMB began to expand outside of Jamaica in 1999 by establishing Caribbean Money Market Brokers Limited in Trinidad and Barbados through a joint venture partnership but later sold its equity stake in this entity in 2008 citing adverse effects from declining interest rate spreads and prices of Emerging Market bonds. In 2005, the company diversified its range of services through joint venture with Intercommercial Bank Limited in Trinidad and Tobago. In 2006, the company established a subsidiary in Spanish-speaking Dominican Republic. In 2009, JMMB took steps to acquire a Savings and Loans bank in the Dominican Republic. JMMB realized robust growth and profitability even during the recent global financial crisis (Table 1).

JMMB's strategic profile and trajectory are in keeping with the Balanced Scorecard strategy map shown in Figure 1. In respect of learning and growth, JMMB places strong emphasis on applied research especially in key areas such as market assessment and risk analysis. The company has a training programme to develop the Spanish language skills of employees and has used strategic partnership to enter markets such as Barbados and Trinidad. JMMB embraces

Table 1. JMMB's Financial Performance (J$ Millions)

	2003	2007	2011
Revenues	6,748.8	10,393.8	12,913.4
Net Profit	1,038.3	1,098.6	1,142.9
Investments	44,275.0	80,478.4	98,233.4
Total Assets	48,945.9	89,619.0	113,019.1
Shareholders' Equity	1,861.5	7,166.9	9,345.2
Return on Equity	15.4%	10.6%	12.3%

information technology to drive its supply chain. On the outbound side, customers are able to do a range of transactions on-line. The company offers attractive loans for small businesses and is aggressive in serving the regional market. In its pursuit of organizational growth, JMMB's intention to expand regionally has not been derailed by its withdrawal from the Barbados market.

Conclusion

Providers of financial services in the Caribbean can use the Balanced Scorecard strategy map, shown in Figure 1, as a starting point for reviewing organizational strategic postures and charting the way forward. Each financial institution should decide specific targets and strategic initiatives in line with the stated vision, values and mission.

Works Cited

Bullock, C. (2012). ***Critical Global and Domestic Trends and Implications for the Domestic Financial Sector. Proceedings of the Caribbean Executive Leadership Series 2012***. Terra Nova Hotel and Strawberry Hill Hotel & Spa, Kingston, Jamaica. February 8-10, 2012.

Carrillo, M. (2012). ***Growth: The Caribbean Challenge.*** Proceedings of the Caribbean Executive Leadership Series 2012. Terra Nova Hotel and Strawberry Hill Hotel & Spa, Kingston, Jamaica. February 8-10, 2012.

Duggan E. and McNaughton, M. (2012). ***Retail Banking Consumer Attitudes and Behavior: Implications and Insights for Business Strategy and IT Governance.*** Proceedings of the Caribbean Executive Leadership Series 2012. Terra Nova Hotel and Strawberry Hill Hotel & Spa, Kingston, Jamaica. February 8-10, 2012.

Kaplan, R. S. and Norton, D. P. (1996). ***The Balanced Scorecard: Translating Strategy into Action.*** Harvard Business Review Press: Boston.

Kaplan, R. S. and Norton, D. P. (2004). ***Strategy Maps.*** Harvard Business Review Press: Boston.

Lawrence, W. and Thomas, R. (2012). ***Leveraging Supply Chains to Boost Profitability of Financial Services***. Proceedings of the Caribbean Executive Leadership Series 2012. Terra Nova Hotel and Strawberry Hill Hotel & Spa, Kingston, Jamaica. February 8-10, 2012.

Ying, N. (2012). ***Results-based Leadership for Shaping Organizational Culture***. Proceedings of the Caribbean Executive Leadership Series 2012. Terra Nova Hotel and Strawberry Hill Hotel & Spa, Kingston, Jamaica. February 8-10, 2012.

NOTES:

NOTES:

Mona School of Business
The University of the West Indies, Mona

Providing Training & Education
in Business & Finance

ISBN 978-976-41-0247-2