

Good boss, bad boss

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I recently met a human resources specialist in Singapore. An investment banker friend of mine got me introduced to her over dinner. Upon learning about my recent decision to leave commercial banking after 25 years, she asked me, how I was as a boss?

The question was simple and short, but it put me in a serious journey down memory lane.

If you are a boss, are you a good one? Would your employees, given the choice, ever want to work for you again? Most importantly, do you know how it feels like to work for you?

If you ask someone what makes employees happy at work, many are likely to think in terms of tangible rewards -- a good salary, a pleasant office, generous benefits. However, workplace specialists are increasingly discovering that for many workers, the 'happiness factor' depends on intangibles, such as respect, care, trust, and fairness. Added to these -- engagement, enrichment, and as per Dean Dipak C Jain, the celebrity professor at Kellogg School of Management, 'empowerment'.

It is in fact the small things that make employees feel committed to an organisation. Workplace happiness often depends on two components: the institution and its culture or the boss. A boss may often be considered an institution by himself; one who sets the corporate culture, creates a positive and a dynamic working environment, sets high standards and ultimately gets people engaged in work.

It may happen that you are happy in your work but not happy in a specific environment due to a variety of factors, such as a bad boss, a bad corporate culture, or a colleague who makes your life



miserable. People have different opinions of what brings them happiness and satisfaction on the job, but certain priorities remain constant in terms of what employees say makes them happy.

Bosses indeed play a key role in determining a worker's happiness factor. More than half of the employees responding to an annual job-satisfaction survey admit that they do not leave companies, they leave bosses. This leads to a question, when workers accept employment, do they only join institutions or do they look at the leaders too?

It is surely not so easy to be a good boss, since you have to be fully present and responsive to the complexities of each new situation and manage a diverse

group of people, including your employees. As an employee, we have all had the opportunity to work for individuals who have affected our professional careers profoundly. They have taught us and guided us through phases of our careers, which have assisted us to reach where we are today.

From them we have learned professionalism, discretion, finesse and impartiality. And as we became bosses ourselves, we have developed our own management style, which in turn shapes the careers of our own subordinates or employees.

Some of us use an autocratic style of management and others democratic. And each style may have its own merits and demerits. But what makes a good boss?

Charles Erwin Wilson, an American businessman and politician, once said: "A good boss makes his men realise they have more ability than they think they have so that they consistently do better work than they thought they could."

The key to being a better boss lies in accepting that fact. A good boss is both a 'real' person and trustworthy. Someone who 'walks the talk' and earns respect for their good character and the example they set. Good bosses try to cooperate with superiors and do what is best for the organisation by digging into facts.

It is also having the passion for the people who work with as you do for your own family -- get to know them, their kids, spouses, friends, hobbies, inter-

ests, upcoming vacations -- remember that everyone loves it when others are interested in them, especially the boss. Your internal relationships are as equally important as the ones you have with your customers. A lot of people forget this too often.

A boss, who listens attentively to the people and do not just pretend to hear what they are saying, are liked by the employees, and also the boss, who is committed to employees' personal growth can also create a big difference. Although everyone else's opinion cannot be implemented, if they feel heard, it makes a big difference. Everyone likes the boss who is open to change and personal growth - forgive people when they fail, remember

the lessons, and teach them to everyone.

In times of uncertainty and unfamiliarity, our employees look to us for reassurance and security. In such times, we as bosses need to function in an orderly and purposeful manner. We also need to embrace the fact that we encounter many obstacles, and these hurdles allow us to understand, listen, give clear instructions, invite negative feedback, and protect those we lead. It is also our responsibility to ensure that the same mistake does not happen in future.

As bosses, we need to be infectiously enthusiastic and proud of the work we do and be a constant source of new ideas and inspiration. We must be able to inspire our subordinates to rise to a new level of proficiency to reach their goals, so we can reach ours. The boss who is well respected, will be prepared to roll up their sleeves and get their hands dirty, and should never humiliate and belittle the employees.

When we look back at how we have treated our followers, peers, and superiors, in their eyes, will we have earned the right to be proud of ourselves? Or will they believe that we ought to be ashamed of ourselves and embarrassed by how we have trampled on others' dignity, knowingly and at times, unknowingly?

To answer the question put up at the very outset, I think I was committed to the success of my colleagues, worked hard in enriching and empowering them. Where I could have done a better job -- possibly in handling the under performing and inefficient colleagues.

The writer is an economic analyst. Few comments in this article were reinforced from the book "Good Boss, Bad Boss" by Robert I Sutton.

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Securitisation to the rescue

KEITH MULLIN, for Reuters

Asset-backed securities are slowly but surely clawing their way back to respectability, having been cast aside as a pariah for having, if not caused, then certainly exacerbated the global financial crisis in the eyes of the general populace.

In the aftermath of the meltdown of 2008, it became popular wisdom to blame securitisation as an immoral Wall Street invention that pushed the world to the brink. That was always ridiculous. Securitisation technology certainly facilitated the process of toxic risk distribution but blaming it for causing the crisis is a bit like blaming the road when your car breaks down.

The asset class is slowly being rehabilitated. It's about time. Securitisation is among the financial world's most inspired innovations and needs to be a central component of the capital markets toolkit. Not just that: it's hard to envisage a revival of the US housing market without securitisation playing a central role that brings in the capital firepower of institutional investors which in turn enables banks to continue lending to the sector.

The process of rehabilitation doesn't necessarily imply that issuance volumes will increase dramatically this year, but the growing number of investors willing to buy or look at buying in size suggests new-issue volumes are on an upward track. Volumes in the US reached around \$140 billion in 2010 and are expected to grow modestly in 2011;



A stock broker looks at a terminal while trading at a stock brokerage firm in Mumbai.

European issuance hit in the region of 80 billion euros and some analysts are looking at a 20 percent pick-up. Issuance has steered towards plain-vanilla RMBS, and won't divert towards exotic assets or untested jurisdictions any time soon. And some segments of the market, such as CMBS, continue to work through distress and 2011 won't see much respite.

On the plus side, the swathe of regulatory and accounting rule changes either already enacted or in process will tighten up standards right along the securitisation value chain. They look eminently sensible, running the gamut of better and more transparent underwriting standards at originators to new-issue retention at securitisers, to better disclosure and more

robust capital adequacy.

The combination of the Dodd-Frank Act; changes to the SEC's Regulation AB (governing registration, disclosure and reporting requirements for publicly issued ABS); amendments to the FDIC's securitisation rule safe harbor amendments (a.k.a. the skin-in-the-game provision); FASB accounting rule revisions (governing inter alia the sale of financial assets); changes to bank capital requirements; the NAIC's interim reporting instructions for 2010 (which impose a clear methodology for allocating NAIC designations that impose a sliding scale of risk-based capital requirements for US insurance company holders of ABS) should offer sufficient comfort to all market participants.

They should certainly ensure that when securitisation takes its rightful place, it will be on a much sounder footing. And of course, better transparency and disclosure will make it easier for ratings agencies to provide a rating. Then again, perhaps transparency will obviate the need for a rating (assuming investors can be bothered to make the effort to do their own analysis).

There is a real-world element to a revived securitisation market. There has been a lot of comment (including in this column) about the bank capital shortfall - \$563 billion for the world's biggest banks. Assuming that retained earnings account for half of the shortfall, banks have a range of options to deal with the rest. They can raise capital

through equity offerings or hybrid securities, they can exit capital-intensive business lines to reduce the regulatory capital charge, they can engage in portfolio sales, or they can securitise in order to get assets off the balance sheet.

Governments are doing their utmost to brow-beat banks (including threatening them on bonuses) to up their lending to consumers and businesses. A renaissance in securitisation looks to be the quickest and most efficient way to get banks lending again to create the economic growth that G7 governments are so desperate for. In short, securitisation could finish what quantitative easing started.

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Shanghai eyes foreign firm listings

REUTERS, Shanghai

Shanghai hopes to encourage foreign companies to raise capital through stock and bond issuance in Shanghai this year, Mayor Han Zheng said on Sunday, while also confirming the city plans a trial property tax during 2011.

Han said Shanghai aims to launch more cross-border financial services this year to support the central government's policy to promote the use of the yuan in cross-border trade settlements.

"We will attract bond issuance and public listing of well-established overseas companies," Han said in his annual work report to the Shanghai Municipal People's congress.

Shanghai will "support the launch of such new products as cross-border ETFs, income bonds, oil and lead futures," said Han. The city also plans to establish an insurance exchange this year, he said, without providing details.

China aims to build Shanghai, its financial capital, into an international financial centre able to compete with New York and London.

As part of efforts to further liberalise China's capital markets, Shanghai has long said it will allow foreign companies to sell shares on its stock exchange.

Fang Xinghai, director-general of the Shanghai Financial Services Office, said late last year he hoped the country will start letting foreign companies sell shares in Shanghai in 2011, with approval processes for such listings to be made relatively simple.

More than two dozen companies, including HSBC and NYSE Euronext, have said they will seek a listing on the Shanghai Stock Exchange when the so-called international board is launched.

Han said one of the city's main tasks this year is to prepare for the trial run of a property tax to curb speculative investments in the real estate sector.

"We will step up macro-control measures, prioritise the supply of non-luxury residential units to be owned and occupied by ordinary citizens, and prepare for the trial reform on property tax as required by the central government," he said.

Shanghai will join southwestern Chongqing city, which has said it was planning a property tax on luxury homes to combat stubbornly high property prices.

Housing prices in major Chinese cities surged by more than a fifth in 2010, according to the China Real Estate Index System (CREIS), run by Soufun, China's biggest online real estate company.

But some developers believe a property tax will have limited impact on property prices as it will not change the severe supply shortage and strong demand in China's property market.