

Healthy company culture begets employee motivation

GroupM Bangladesh Managing Director Morshed Alam shares his thoughts at The Daily Star's The Chief Executive Show powered by Marico



DWOHA CHOWDHURY

In 2015, a Harvard Business Review article by Lindsay McGregor and Neel Doshi explained the connection between company culture and employee motivation. It cites that global business leaders believe that a strong organisational culture is critical to success.

Morshed Alam, managing director of GroupM Bangladesh, the local operations of the media investment company based in New York, also thinks so. He specifies three reasons behind the critical importance of company culture.

First, it gives the employees a complete clarification of the purpose of their contribution. Then comes the growth potential in an organisation. And finally, it ensures playfulness at the workplace.

"To build a good culture in all GroupM agencies, we work as a family member but act as professionals while dealing with clients," Alam said.

He believes that there must be a control culture in the organisation, but colleagues should never consider it imposed.

"It was obvious for us as there had been some controls in our family. But the Generation Z does not like to be controlled," said Alam, referring to the segment of the population who were born between 1997 and 2015.

The control culture must be inbuilt so that it becomes enjoyable, and everyone embraces

it as a learning, he said.

Besides ensuring good company culture, GroupM also focuses on corporate branding to attract more talents.

It brands itself through fairs on university campuses and does direct recruitment. It also welcomes interns, and most of the time, it recruits the best among the group.

The generation, which is beginning their corporate career now, is controlled by society in many ways. But it was not similar for Alam when he was a kid.

"We enjoyed freedom though there were a few rules. It's like whenever it rained, we went to the field to play football. But we're not allowing our child to do that. In that aspect, we were very fortunate," he said.

Alam started his career with Asiatic 3sixty in the late 1990s after completing his MBA. He began in the client service department, which later launched media operations.

The board wanted him in the new media department. At that time, all departments except the client service were considered a thankless job.

"But our chairman Aly Zaker persuaded me, saying: it's your responsibility to make the thankless job a thankful one."

Over the years, the initial four-member media team has evolved under Alam's leadership, and the media relations have changed for good by initiating direct client interaction.

In 2001, Mindshare, an agency of GroupM, entered Bangladesh under a joint venture with Asiatic 3sixty, named Mindshare Bangladesh.

Alam was involved in the venture, and as of 2010, he worked under three Indian general managers. That year, he was given the helm of Mindshare Bangladesh.

In 2013, he became the executive director of GroupM Bangladesh and managing director in 2017.



Morshed Alam

"The whole thing evolved slowly. I always did my job unconditionally, but it was in my mind that if there were local management after Indians, it should be me," Alam said.

Alam did not stop there. Instead, he diversified the business. Under his leadership, the 34-member Mindshare team of 2010 has now a workforce of 160.

"We always try to do things through a steady process. We proved that in a service business if you deliver quality work without making any compromise, you will grow," he said.

He has also focused on creating leaders. "I thought that I should not only lead, but I should also create leaders so that I can focus more on the business. Now, four such leaders in GroupM are leading teams that are larger than those managed by the previous general managers."

"The leaders are capable of replacing me and running this whole organisation," he said.



But for the agency business, every challenge is tougher.

"Retaining business is tough than winning a new one. We work round the clock every time we go for a new pitch. But as we work as a team and we have our own culture, we don't feel that challenging," Alam said.

Amidst the challenging times, finding inner peace is hard. But Alam has found his way to deal with the trying times in his work.

"I feel inner peace while I get to do social awareness campaigns for the organisations like Brac or WaterAid."

He formed the Bangladesh Media Forum in 2016 to develop the industry. He is also prioritising corporate social responsibility activities.

In a media agency like GroupM, a collaborative approach is vital, he said.

"Though we are formally a media agency, we call ourselves investment specialists because we manage our clients' investment in different media," he said, adding that the company acts carefully to create a win-win situation for both clients and media organisations.

In a recent interview, Christian Juhl, global CEO of GroupM, said that the organisation would look like a software company rather than a media agency.

Alam also believes that change is the only constant, and that's what a leader does in an organisation regularly.

"The managers manage regular businesses while I focus on the future and diversification, embracing the changes happening around the world."

The coronavirus pandemic has accelerated digitalisation around the globe. And Alam is well aware of it.

"Transformation is now a popular word worldwide. And if we don't embrace digitalisation, we will become obsolete, and we'll not be able to survive."

GLOBAL BUSINESS

India's ban on Mastercard to hit banks' card operations, income

REUTERS, New Delhi

India's move to ban Mastercard for breaching data storage rules has destabilized the country's financial sector as it will disrupt bank card offerings and affect revenues, payments and banking industry executives said to Reuters.

Wednesday's central bank order follows similar action in April against American Express, but Mastercard is a much bigger player in the Indian market, where many lenders offer cards using the American company's payment network.

A Reuters analysis of online card listings from 11 domestic and foreign banks in India showed that Mastercard made up about one-third of the roughly 100 debit cards on offer, and more than 75 credit card variants used its network.

From July 22, the Reserve Bank of India (RBI) said, re-issuance of these cards will cease because Mastercard failed to comply with 2018 rules requiring foreign card networks to store Indian payment data locally, for "unhindered surveillance access".

While existing customers will not be affected, the business impact will be significant as banks must sign new business deals with competing networks such as Visa, a process that can take months



REUTERS/FILE

A security guard sits inside an ATM counter as a notice hangs on an ATM machine in Chandigarh, India.

and involve weeks of technology integration, back-end, five banking and payments managers said.

A banking executive said the switch to Visa could take up to five months. And with American Express and Mastercard banned, Visa is gaining an unprecedented advantage in negotiations in a credit card market it already dominates.

"This will mean a temporary disruption for the banks, many hectic negotiations and a loss of business in the short term," said

one of the sources, a senior Indian banker.

The 2018 RBI rules were passed despite aggressive lobbying from US companies seeking to dilute them. Mastercard said it was "disappointed" with the decision and would work to resolve the issues.

"This is consistent with our significant and continued investments in our customers and partners in India to advance the government's vision in digital

India," Mastercard said in a statement Thursday.

The move is a major setback for Mastercard, which counts India as a key market. In 2019, Mastercard said it was 'bullish on India', announcing \$ 1 billion (approx. Rs. 7,450 crore) of investment over the next five years, after investing \$ 1 billion (approx. Rs. 7,450 crores) from 2014 to 2019.

Mastercard also has research and technology centers in India, where its workforce of 4,000 is second only to the United States, after increasing by 29 in 2013.

The use of credit and debit cards by Indians has increased as digital payments have spread. As of May, according to RBI data, there were over 62 million credit cards and about 902 million debit cards, which together accounted for transactions worth \$ 40.4 billion (about 3 01 Rs 120 crores).

The delays in transitioning to Visa are also affecting bank fees and other income they generate through their card business, the sources said.

In a research note on the RBI decision, Macquarie noted as a "primary concern" the risk that banks could suffer because credit cards were a profitable product with a so-called after-tax return on corporate assets, about 5 to 6 per cent.

China's economic recovery loses some steam

REUTERS, Beijing

China's economy grew slightly more slowly than expected in the second quarter, weighed down by higher raw material costs and new Covid-19 outbreaks, as expectations build that policymakers may have to do more to support the recovery.

Gross domestic product (GDP) expanded 7.9 per cent in the April-June quarter from a year earlier, official data showed on Thursday, missing expectations for a rise of 8.1 per cent in a Reuters poll of economists.

Growth slowed significantly from a record 18.3 per cent expansion in the January-March period, when the year-on-year growth rate was heavily skewed by the Covid-induced slump in the first quarter of 2020.

Retail sales and industrial output grew more slowly in June, the latter dragged by a sharp fall in motor vehicle production, while NBS data also showed a cooling in China's housing market, a key engine of growth.

But June activity data still beat expectations, providing some relief to investors concerned about a slowdown after the central bank announced policy easing last week.

"The numbers were marginally below our expectation and the market's expectation (but) I think the momentum is fairly strong," said UOB economist Woei Chen Ho in Singapore.

"Our greater concern is the uneven recovery that we've seen so far and for China the recovery in domestic consumption is very important...retail sales this month was fairly strong and that may allay some concerns."

While the world's second-largest economy has rebounded strongly from the Covid-19 crisis, buoyed by solid export demand and policy support, data releases in recent months have suggested some loss in momentum.

Higher raw material costs, supply shortages and pollution controls are weighing on industrial activity, while small Covid-19 outbreaks have kept a lid on consumer spending.

Investors are watching to see if the central bank is shifting to an easier policy stance after the People's Bank of China (PBOC) announced last week it would cut the amount of cash that banks must hold as reserves, just as some other central banks begin or start thinking about exiting pandemic-era stimulus.

Average second quarter growth in 2020 and 2021 was 5.5 per cent, up slightly from a 5 per cent average for the first quarter, according to the National Bureau of Statistics.

On a quarterly basis, GDP expanded 1.3 per cent in the April-June period, the NBS said, just beating expectations for a 1.2 per cent rise in the Reuters poll. The NBS revised down growth in the first quarter from the fourth quarter last year to 0.4 per cent.

The PBOC move, which released about 1 trillion yuan (\$154.64 billion) in long-term liquidity to bolster the recovery, comes even as policymakers have sought to normalise policy after the economy's strong rebound from the coronavirus crisis to contain financial risks.

It highlights the challenges policymakers will face in rolling back pandemic-era stimulus as the coronavirus continues to flare-up around the world.

ECB inches closer to digital euro



AFP, Frankfurt

The European Central Bank inched closer to a "digital euro" on Wednesday with the formal launch of a pilot project, but questions remain about potential pitfalls and benefits for eurozone citizens.

The move comes as the coronavirus pandemic has hastened a shift away from cash, and as central bankers around the world nervously track the rise of private cryptocurrencies like bitcoin.

Here's a look at what a digital euro would mean for the 19-nation club.

A digital euro, sometimes dubbed "e-euro", would be an electronic version of euro notes and coins. It would for the first time

allow individuals and companies to have deposits directly with the ECB.

This could be safer than with commercial banks, which can go bust. The ECB has promised that any future digital euro would be "a fast, easy and secure way" to make payments. The service would be free and payments could be made by card or smartphone app.

This would allow the Frankfurt-based institution to challenge the dominance of foreign payment card companies like Mastercard and Visa in the euro area.

A digital euro would "complement cash, not replace it", the ECB said. The ECB is still studying which technology is best suited to develop the digital currency.



People walk at the Beijing's central business district on March 5.

REUTERS

The headquarters of the European Central Bank (ECB) in Frankfurt am Main, western Germany.