Active listening: a key trait for any leader

Mastercard Bangladesh Country Manager Syed Mohammad Kamal says at The Daily Star's The Chief Executive Show powered by Marico

DWOHA CHOWDHURY, *from Sylhet*

Active listening, which requires the listener to fully concentrate and understand with patience before responding, is a key value for any leader, according to Syed Mohammad Kamal, Bangladesh country manager at Mastercard.

"Be it within your team, organisation, customers or the new generation, if you really listen, something might come up that you never thought before and can bring a right solution," he said.

Kamal believes that a company's top brass must always share information in different layers before taking strategic action.

Even at Mastercard, the New York-based multinational financial services corporation, information dissimilation is done in a fitting manner.

"If a top leader can take a decision collectively by involving everyone, it brings a better result since everyone feels like they are a part of the initiative," the country manager added.

There are times when members of the top brass are required to take decisions on their own but these are exceptional cases that only happen during times of emergency as a form of crisis management.

"But still, if you are able to discuss with a larger team, it gives good output," Kamal said.

A leader must also be capable of accepting ideas that aren't his own and without this ability, he or she will not be able to make their organisation successful, he added.

Since being a member of the top brass requires you to make the right decisions at the right time, Kamal suggests that taking calculated risks is the way to go.

"The industry we work in, a small mistake could be a huge risk for us and for our consumers as we are giving financial solutions to people," he said.

"If we cannot regularly bring in the right solution by finding customers' pain point, it's hard to survive in the financial sector, which needs continuous innovation," said Kamal, who has been Mastercard Bangladesh's country manager since 2013.

"Evaluating values of customers, addressing their pain points, bringing in continuous new innovation, educating customers about the innovation -- these all are interconnected with a huge workforce to ensure that our customers stick around," he added.

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Syed Mohammad Kamal

A majority of financial products would fail if the right ingredient is not added.

So, a leader must have the ability to foresee because if he cannot do that, survival in the long run will be impossible.

Kamal also emphasised on the need to build long-term strategies while keeping a weather eye on what one's competitors are up to.

The Mastercard country manager was born in Dhaka and brought up in Chattogram, where he attended the Chattogram Collegiate School, Chattogram Commerce College and Chattogram University.

Later, he completed his master's in business administration from the Royal Roads University in Canada.

Even though Kamal has been working in the financial sector since 2005, he never worked at any bank.

"As I work at Mastercard, people think I must have been a banker, but not really. I worked half my career in FMCG companies," he said.

From zonal sales manager of ACI Consumer Brands from 1998 to 2003, he moved to Berger Paints and served as regional sales manager till 2005.

After a 14-year career in FMCG, in 2005, he got an offer from Western Union, the world's leading money transfer company, and started a whole new path. Then in 2013, he joined Mastercard Bangladesh as country manager.

"I thoroughly enjoy my career. From the beginning, I always like to take challenges. I'm always passionate about my job and always try to own the institution I'm in," he said.

Throughout his career, Kamal experienced how the financial industry changed from analogue to digital and embraced a more digital means of life amid the ongoing coronavirus pandemic.

Kamal said during the pandemic, notable change has emerged in digital commerce and the country is moving towards a digital future by 2021.

"We saw a majority of payments were made digitally amid the Covid-19 outbreak. Be it mobile financial service (MFS) or cards. We already achieved the momentum and if we are able to continue it, there's no reason not to call us digital," he added.

> *"If we cannot regularly bring in the right solution by finding customers' pain point, it's hard to survive in the financial sector, which needs continuous innovation."*

According to Bangladesh Bank data, ATM transactions stood at Tk 14,327.5 crore as of February 20 but rose to Tk 15,328.8 crore by October.

But a more significant change happened in ecommerce. In February this year, the ecommerce transactions through cards were Tk 247.1 crore and grew to Tk 640.4 crore by July and Tk 543.1 crore in October.

In Bangladesh, 70 per cent of the people are still out of banking coverage and most rural residents are comfortable with traditional banking systems.

"But it's changing as people are adapting slowly. Now people are using MFS and agent banking to transfer money and the number is showing that a huge change is visible now. People started being digital savvy," Kamal said.

Besides his professional career, Kamal is involved with the American Chamber of Commerce in Bangladesh, Foreign Investors' Chamber of Commerce and Industry and Bangladesh Association of Software and Information Services.

Kamal believes that networking is important and one major scope is by attending public speeches or programmers, where someone gets to talk or mingle with a set of people.

"During networking, you have to open up, speak rightly, do constructive discussion and try to get input from the person you're talking to," Kamal said.

For newcomers in a corporate career, he has one key suggestion to give.

"Whatever you do, do it passionately. Until you enjoy the work, do it. Once you feel you're not enjoying it, leave it and start something new."

GLOBAL BUSINESS

In pandemic, Fed showed its muscle in markets still matters

REUTERS

The US Federal Reserve's response to the coronavirus pandemic began on Feb. 28 with a 44-word statement of faith in the economy from Chair Jerome Powell, an old-school measure aimed at calming nosediving financial markets.

Within weeks, though, its actions became so groundbreaking they cast the US central bank as creditor to the world and open to frightening amounts of risky debt.

Even Powell felt the Fed had "crossed a lot of red lines that had not been crossed before."

"We saw the economies around the world shutting down," he said in late spring, "and we felt called to do what we could."

That included fast promises of massive bond purchases, an open window for dollars for other central banks, and eventually loan programs covering virtually any US business and many local governments.

Still, what happened proved the alarmists wrong: The Fed's balance sheet, a rough measure of its footprint in the economy, grew much less than expected; its most controversial lending programs attracted modest interest and will end Dec. 31. Yet the Fed did prove what may be the more important point: It mattered just by being there and moving fast.

The Fed couldn't address all the economic problems of the pandemic. Perhaps the biggest challenge, getting cash to families as unemployment hit a post-World War II record 14.7 per cent, required an act of Congress.

But it did show how forceful it remained in restoring trust in fragile moments. While it took months to flesh out its most innovative responses, the key steps happened with the flip of a switch in March when its traditional tools - including the offer of short-term loans to financial firms - were deployed in force.

It was a version of the classic central bank edict to lend freely against adequate collateral, but the speed and size of the Fed's initial steps "rewrote the playbook," said Julia Coronado, president of consulting firm MacroPolicy Perspectives.

"Early on they were gobbling up assets in the hundreds of billions and forcibly restarting markets, and there was no particular restraint other than 'we are going to do it until it works.'"

It proved a stark contrast to the Fed's response to the 2007-2009 financial crisis, Coronado noted, when it took roughly four years to scale up three successive programs of "quantitative easing."

The US economy faced a frightening array of risks last spring.

REUTERS/FILE

The Federal Reserve Board building on Constitution Avenue in Washington, the US.

Efforts to control the spread of COVID-19 triggered a national state of emergency on March 13 and restrictions forcing whole sectors of the economy to close temporarily. The hard-stop for airlines, hotels, restaurants and anything "non-essential" wiped out 22 million jobs from February to April, unleashing fears of a second Great Depression.

For central banks, crises are most perilous when confidence is corrupted - when what's considered a risk-free trade on one day, with two parties trusting they'll both be around, looks dodgy a day later. That loss of faith, at its worst, brings a halt to the short-term lending that keeps the broader economy humming and triggers a wider collapse.

When that started to happen in March, the Fed's initial moves propped up trading in Treasury bonds, short-term corporate loans, and other essential financial instruments, arguably preventing a financial crisis from being piled onto all the other problems.

It took much less than anticipated. Analysts including former New York Fed President William Dudley forecast the Fed's balance sheet would top $10 trillion by the end of 2020.

From mid-March to mid-June the "gobbling" of assets inflated the Fed's holdings from $4.2 trillion to $7.1 trillion. Then the expansion braked, and the balance sheet has barely budged since then.

Why? Even in a once-in-a-century crisis, private markets - knowing the Fed stood at the ready - provided plenty of loans on their own, greasing the economy and keeping risk in private hands rather than loading it onto the central bank.

"That is a happy outcome," said William English, a professor at the Yale School of Management and former head of the Fed's monetary policy division. "People did think the Fed would have to do more direct credit provision."

"It turned out the announcements basically meant that investors got comfortable again."

The nature of the crisis may have helped.

The last nine months have been devastating, with more than 18.4 million US residents infected with COVID-19 as of Dec. 23, and more than 326,000 dead. Roughly 10 million fewer people are working now than in February. The economy at the end of 2020 will be about the size it was at the end of 2018.

Still, it was a crisis with a clear cause that shocked an otherwise healthy economy. A resolution to the pandemic now appears in view as the first vaccines rolled out this month. The economy remains technically in recession, with millions of families facing hardship and months until the full impact of the vaccine is felt.

Through the year, the Fed's role has been partly redefined: the crisis forced it into closer cooperation with the Treasury, and into a potentially more important future role in keeping government borrowing costs down as the country finances record levels of public debt.

But in terms of future crises, the Fed's template should now be set, Coronado said. "Going in, the narrative was that monetary policy was done," Coronado said. Instead, "it was hugely impactful. The game changed dramatically and to the good."

NEWS *In Brief*

Indonesia says $9.8b EV battery MOU agreed with LG Energy Solution

REUTERS, *Jakarta*

Indonesia and a unit of South Korean firm LG Group have signed a memorandum of understanding (MOU) on a $9.8 billion electric vehicle (EV) battery investment deal, the head of Indonesia's Investment Coordinating Board said on Wednesday.

The deal was signed on Dec. 18 and includes investments across the EV supply chain, the board head, Bahlil Lahadalia, told a news conference.

An official at LG Energy Solution, a unit of LG Group, South Korea's fourth-largest conglomerate, confirmed it had agreed an MOU but could not provide details or the deal's value. LG Group in Seoul referred Reuters to its affiliate. Bahlil said the agreement made Indonesia the first country in the world to integrate the electric battery industry from mining to producing electric car lithium batteries.

"We have signed an MOU for the construction of an integrated electric battery factory from upstream to downstream," Bahlil said.

"Mines, smelters, precursors, cathodes, cars to recycling facilities will be built in Indonesia," he said, adding that the project will be located in North Maluku and Central Java.

Under the MOU, at least 70 per cent of the nickel ore used to produce the EV batteries must be processed in Indonesia, he said.

Indonesia aims to start processing its rich supplies of nickel laterite ore for use in lithium batteries as part of a bid to eventually become a global hub for producing and exporting EVs.

Bitcoin hits record $28,600 as 2020 rally powers on

REUTERS, *London*

Bitcoin on Wednesday hit a record $28,599.99, taking gains this year past 295 per cent amid heightened interest from bigger investors.

The world's most popular cryptocurrency was last up 3.7 per cent at $28,375. Since breaking $20,000 for the first time on Dec. 16 it has surged by nearly half.

Bitcoin has increasingly seen demand from larger U.S. investors, in particular, attracted by its perceived inflation-hedging qualities and the potential for quick gains, as well as expectations it would become a mainstream payments method.

REUTER/FILE

A representation of virtual currency Bitcoin is seen in front of a stock graph in this illustration.