



The Government of the Republic of Trinidad & Tobago  
**PERSONNEL DEPARTMENT**

Office of the Chief Personnel Officer

Telephone Contact: 1-868-623-1621 to 5

#3 Alexandra Street, St. Clair

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September 1, 2020

Ms. Jacqui Sampson-Meiguel  
Clerk of the House  
Office of Parliament  
Parliamentary Complex  
Caablido building,  
St. Vincent Street,  
Port of Spain.

Dear Ms. Sampson-Meiguel,

*The Twenty-Fourth Report of the Public Accounts (Enterprise) Committee on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Export-Import Bank of Trinidad and Tobago (EXIMBANK) Limited for the financial years 2012 and 2017*

Reference is made to the above subject and to your request for a response dated July 23, 2020.

The attached is the written response of the Personnel Department to the recommendations contained in the Twenty-Fourth Report of the Public Accounts (Enterprise) Committee submitted for your information and kind review.

Yours faithfully

  
Chief Personnel Officer

*The Twenty-Fourth Report of the Public Accounts (Enterprises) Committee on the Examination of the Audited Accounts, Balance Sheets and other Financial Statements of the Export-Import Bank of Trinidad and Tobago (EXIMBANK) Limited for the financial years 2012 and 2017*

**QUERY FROM THE PUBLIC ACCOUNTS (ENTERPRISES) COMMITTEE**

The Personnel Department should thoroughly review the job evaluation exercise and re-evaluate the EXIMBANK's current compensation system given that the existing salaries are below the market rate and contribute to an above normal staff turnover rate and report to Parliament by September 04, 2020.

**PERSONNEL DEPARTMENT'S RESPONSE TO QUERY**

By letter dated November 5<sup>th</sup>, 2013, EXIMBANK submitted a proposal through its line Ministry, the Ministry of Trade and Industry for the consideration of the Personnel Department and onward submission for approval by the Human Resource Advisory Committee (HRAC), the Committee with the responsibility of monitoring wage and salary negotiations and establishing remuneration arrangements for employees in the public sector.

EXIMBANK submitted proposals for revised compensation for the following three (3) categories of staff:

Table 1

Categories of Staff	Period
Chief Executive Officer	October 1, 2011 to September 30, 2013 October 1, 2013 to September 30, 2014
Executive Management Staff	January 1, 2013 to December 31, 2015
Unionised employees	January 1, 2012 to December 31, 2014

The proposals for the different categories of staff were based on a Job Evaluation Exercise which was conducted by Human Resource Solutions (the Consultant) who was engaged by EXIMBANK for the period June to July 2013, in respect of, unionized and non-unionized positions. It should be noted that the proposal submitted for the position of CEO was actually a request for a review of the previously approved compensation in June 2012 by the then Ministerial Committee (now HRAC).

In conducting the Job Evaluation Exercise, the consultant utilised comparators in the financial sector including, **Republic Bank Limited, Scotiabank, First Citizens Bank, and Trinidad and Tobago Mortgage Finance Company Limited** and evaluated the structures, classification and salaries which were used to inform its proposal for revised compensation.

**The Consultant's report included the following information:-**

- EXIMBANK failed to attract and retain the best employees in the market and this contributed significantly to high overall turnover rates (21% in 2011 and 24% in 2012- General staff).
- The current salary structure gave no consideration to longevity or performance and cannot be used as a tool to improve efficiency.
- The salary structure was informal.
- With respect to non-managerial positions, while there were job classification, there were instances where salaries vary within the same classification.
- The current compensation management system failed to adequately align job responsibilities to compensation and it did not embrace a broad and long term view of where the Banks's business is going, therefore there was no alignment with EXIMBANK's strategic plan.
- A salary structure based on competitive data benchmark positions had been designed.
- The job scores, which range from 600-1000, were used as the bases for establishing a narrow graded salary structure, the results of the comparable salary structure and the results of the Job Evaluation Exercise to propose a revised structure comprising 8 ranges for Management Staff and 10 ranges for General Staff.

The CPO reviewed the Job Evaluation Report and considered the proposals submitted by EXIMBANK for the different categories of staff and submitted recommendations to the HRAC on the different occasions as listed in the table below.

Table 2

HRAC Meeting Dates	Note No.	Determination
August 24, 2016	Note No 5/2016	The matter was deferred to provide the members of the Committee with additional time to consider the recommendations contained in that Note.
September 7, 2016	Supplemental Note No 6/2016	Note was again deferred in order for the Minister of Trade and Industry to analyse the recommendations of the CPO and provide comments.
December 7, 2016	Supplemental Note No 16/2016	Note was deferred to allow the CPO to review the comparator positions utilised in the determination of revised remuneration for the contract positions. The Committee held the view that comparator positions from the sector similar to that of the EXIMBANK should be used. In this connection it was suggested that comparator positions at the Development Finance Limited (DFL) and the National Insurance Board (NIB) be utilised.

## CPO's Analysis of the Job Evaluation Exercise and the Current Compensation System

The CPO considered that the scope of EXIMBANK operations was not as broad as that of a commercial bank. EXIMBANK's operations are less complex than the comparator organizations used by the Consultant, Human Resource Solutions Limited.

In determining the current compensation system, the following were used as a guide with respect to the Executive Management staff positions:

- Information from the HRC Compensation Report (2011-2012 & 2013-2014).
- Comparators information.
- Qualifications, skills and experience required for the positions.
- The levels of the positions in the organization.
- Salaries provided to comparable positions in both the public and private sectors.

### Chief Executive Officer

In June 2012, with the Chief Personnel Officer's recommendation, the then Ministerial Committee (now HRAC) granted approval for the increase in salary for the position of CEO for the period October 1, 2011 to September 30, 2013 as follows:

October 1, 2011 to September 30, 2013 - \$35,000 - \$40,000

In November, 2012, the Committee further considered and revised the salary for the position of CEO for the period October 1, 2013 to September 30, 2014 as follows:

October 1, 2013 to September 30, 2014 - \$45,000

The Bank subsequently sought a further review and expressed the view that there still existed an inequitable situation which had placed the CEO at a significant disadvantage. The Bank stated that it was a profitable entity and was able to pay a salary ranging from \$45,000 to \$54,000 which was recommended by the Board for the position and proposed a further revised salary of \$43,948 - \$65,922 for the period October 1, 2011 to September 30, 2014.

CPO's review of the Bank's audited financial performance for the last five years indicated that the EXIMBANK's profitability was **NOT** as indicated by the Bank. Table 3 indicates that although the Bank is financially viable, it has experienced a significant and steady decline in its profitability. Therefore the impact of further decline may influence its ability to sustain significant increases.

Table 3 EXIMBANK Financial Performance

	2010 \$	2011 \$	2012 \$	2013 \$	2014 \$
Net income before taxation	3,783,404	4,694,992	3,829,036	2,539,485	2,168,313
Taxation	1,339,806 (Refund)	(1,285,724)	(751,584)	(620,697)	(557,703)
Net income for the year	5,123,210	3,409,268	3,077,452	1,918,788	1,610,610

Further, a comparative analysis of similar positions in the public sector was conducted to determine an appropriate salary for the position (refer to Table 4). In addition, the CPO took into consideration the fact that the salary paid per month to the position of CEO has already been revised and is considered superior to other comparable positions in the public sector for the same period as indicated hereunder:

Table 4

Comparator Positions	Comparator Salaries
CEO , Land Settlement Agency	\$36,000 (2012 – 2015)
Director, Children’s Authority of T&T	\$35,000 (2012-2013) \$36,800 (2014-2016)
Chief Executive Officer National Entrepreneurship Development Company Limited	\$32,000 (2013-2015)
Chief Executive Officer Agricultural Development Bank	\$35,500 (2012-2014)
General Manager/ Chief Executive Officer Port Authority of Trinidad and Tobago	\$45,000 - \$50,000 (2013 – 2016)

Since the profitability of the company has been declining, and the contract of the then current CEO expired on September 30, 2016, the CPO recommended that the salary of \$45,000 be maintained.

### **Executive Management Staff**

In determining salary increases for the Executive Management Staff of EXIMBANK, the CPO noted the Bank’s concern regarding its ability to attract and retain suitable qualified staff, its recommendations and salaries paid to comparator positions in the public sector. The CPO’s recommendations for the period is outlined in Table 5:

Table 5

Position	October 1, 2011 – September 30, 2014 \$ per month	Jan 1, 2013 – Dec 31, 2015 \$ per month
Chief Operating Officer	30000	32,000 - 35,000

Position	October 1, 2011 – September 30, 2014 \$ per month	Jan 1, 2013 – Dec 31, 2015 \$ per month
Chief Financial Officer	27500	25,000 - 30,000
Manager, Recoveries & Securities	21000	22,000 - 24,000
Manager Credit & Business Development	21000	22,000 - 24,000
Manager, Human Resources	21000	22,000 - 24,000
Internal Auditor	19000	20,000 - 23,000

The Minister of Trade and Industry also reviewed the recommendations of the CPO with respect to the revised compensation for the Executive Management Staff and proposed further amendments. The Minister proposed that the position of Manager, Credit and Business Development to be placed in the same grouping with the Chief Financial Officer with salary range of \$25,000-\$30,000 per month. In addition, the position of Internal Auditor should be grouped with those of Manager Recoveries and Securities, Manager Human Resources with salary range of \$22,00-\$24,000 per month.

The CPO noted that based on the response of the Minister of Trade and Industry, it would appear that the Minister's recommendation to place the management positions in the same salary grouping was based on the results of the Job Evaluation Exercise where both positions were placed in the same job evaluation band of 701-750, since the Chief Financial Officer scored 707 and Manager Credit and Business Development scored 702 (Table 6).

Table 6

Position	Existing \$ per month	Proposed Salary Range	Job Evaluation Score	EXIMBANK'S Proposals	
				Min.	Max.
Chief Operations Officer	30,000	16M	863	38,216	57,324
Chief Financial Officer	27,500	13M	707	25,128	37,692
Manager Credit and Business Development	21,000	13M	702	25,128	37,692
Manager Recoveries & Securities	19,000	12M	658	21,850	32,775
Manager Human Resources	21,000	12M	674	21,850	32,775
Internal Auditor	19,000	12M	671	21,850	32,775

However, the CPO's recommendation was based on the minimum requirement for the positions where the Chief Financial Officer's requirement of the ACCA bears more weight than the first degree, required for the position of Manager Credit and Business Development.

Both positions required five (5) years' experience. Consideration was also given to salaries paid to comparator positions in the public sector.

Further, it also appeared that the Minister's recommendation to group the Internal Auditor with the Manager Credit and Business Development and Manager Human Resources was also based on the results of the Job evaluation exercise where all positions were placed on the same job score range (12M), the job evaluation band of 651-700, since the Internal Auditor scored 671, Manager Credit and Business Development was 658 and Manager Human Resources 674.

While the CPO considered the recommendations made by the Minister of Trade and Industry, it should be noted that the CPO's recommendation was based on the minimum requirements for the positions, that is, a relevant first degree and 5 years' experience for the Manager positions. Therefore the CPO's recommendation was that the salary for the Executive Management Staff be maintained.

### Unionised Employees

The Banking Insurance and General Workers Union (BIGWU) proposed the following for the unionised employees at EXIMBANK, for the period January 1, 2012 to December 31, 2014:

- i) With effect from January 1, 2012 - consolidate Cost of Living Allowance (COLA) of \$145 per month existing as at December 31, 2011 with salaries existing at that date and thereafter bring those salaries up to market rates.
- ii) With effect from January 1, 2013 - 5% increase in rates at (i).
- iii) With effect from January 1, 2014 - 5% increase in rates at (ii).
- iv) The establishment of a salary structure which should comprise minimum and maximum points with 50% spread from the minimum point to the maximum point for each position.

The Union indicated that its proposal was based on the level of increases consistent with settlements reached in three organisations in the financial services industry, the employees of which are represented by BIGWU namely, the Central Bank of Trinidad and Tobago - (2012 – 2014, 14%), Republic Bank Limited - (2011 – 2014, 14%) and Pan American Life Insurance Company (2011 – 2013, 13%).

EXIMBANK explained that while there currently exists a flat rate of pay applicable to each position, the Bank proposed to provide salary ranges rather than flat salaries.

In December 2011, the then Ministerial Committee (now HRAC) supported the grouping of positions and the establishment of salary scales for the unionised positions in principle and advised that the changes should be made on the basis of a Job Evaluation Exercise.

However, the Job Evaluation Exercise in respect of the unionised positions at EXIMBANK resulted in the following scores, groupings and current salaries as follows:

Table 7

Position	Current Salary	Job Evaluation Score/Group	
Office Assistant	3,924	165	2A
Maintenance Assistant	3,106	172	2A
Receptionist*	3,214	181	2A
Administrative Aide (HR/RS)*	4,056	181	2A
Accounting Assistant I a	4,800	216	3A
Accounting Assistant II	5,627	236	3A
Accounting Assistant Ib	4,855	302	5A
Credit Assistant	4,899	314	5A
Accounts Receivable Supervisor	5,666	444	7A
Accountant I	6304	457	8A
Recoveries/ Securities Officer	6,181	489	8A
Executive Secretary	10,303	497	8A
Human Resource Officer	6,961	506	9A
Credit Officer II	6,243	528	9A
Credit Officer I	6,367	528	9A
Treasury Officer	6,438	536	9A
Accountant II**	7,355	551	10A
Assistant Manager-Risk**	10,000	551	10A
Assistant Manager -Operations	10,261	566	10A
Assistant Manager-Credit & Business Development	10,261	567	10A

\*represents anomalous situation

Based on the results of the Job Evaluation Exercise, the CPO noted, that some of the salaries currently being paid to the incumbents in the positions were lower than market rates of similar positions in the economy. However, there were some anomalies with respect to the relativities of salaries proposed based on the scores assigned to positions within the Bank. The proposed salaries were compared to those of similar positions in the economy and were found to be at variance in the following instances as follows.

- i. The position of Accounting Assistant Ib which requires that an incumbent must possess CAT Level II or three Cape subjects (Units I & II)/GCE Advance Level, including Accounts and one (1) year experience performing accounting duties, was assigned a higher score of 236 and was placed in grade 3A . However, the position of Accounting Assistant Ia which scored 216 and requires 5 CXC subjects, was also placed in grade 3A. To resolve this anomaly, the position of Accounting Assistant Ib was placed in the vacant grade 4A.

- ii. The positions of Credit Officer II and Credit Officer I were assigned the same score of 528, although the latter is considered somewhat superior both positions were placed in group grade 9A. A perusal of the job description in respect of the position of Credit Officer I revealed that an incumbent in the position is required to act as supervisor in the absence of the supervisors, train new Credit Officers and provide guidance to Credit officers as needed. To address this situation a sub-group 9AI was created and the position of Credit Officer was placed in that sub-grade.

A survey of negotiated increases in the economy revealed that in a number of completed agreements that included the years 2012, 2013 and 2014, the mean increases for those years are 5%, 3.8% and 2%, respectively. In the public sector, employees of the Central Bank of Trinidad and Tobago (CBTT) were granted a 14% salary increase (distributed 10%, 2%, 2%) for the period 2012 – 2014 while guidelines were issued for dollar upgrades plus a 11% across-the-board increase in salary (distributed 3%,3%,5%) for employees of First Citizens Bank for the same period.

Therefore, in determining suitable salaries for the unionised positions at EXIMBANK, the CPO considered the aforementioned and recommended that the revised grade structure be introduced.

### **Conclusion**

In the final analysis the CPO agreed with the salary structures proposed by EXIMBANK but was not in agreement with the salaries proposed because the comparator data which the consultants utilised were not deemed to be suitable. The CPO is of the view that EXIMBANK's operations are less complex than the comparator organizations used by the Consultant, Human Resource Solutions Limited. Currently, a Supplemental Note is being finalised for submission to the HRAC for approval regarding the request for a review made by the Chairman of the Committee, for the utilisation of comparator data, from the National Insurance Board and the Development Finance Limited Company, for the CEO and Executive Management positions. With respect to the unionised staff, this matters is currently under "Sub Judice" which is under judicial consideration.

