

## **Muhammad bin Ibrahim: Talent management – sustaining dynamic economic growth and development in Malaysia**

Keynote address by Mr Muhammad bin Ibrahim, Deputy Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the HR Knowledge Bazaar, organised by the Asian Institute of Chartered Bankers, Kuala Lumpur, 22 April 2015.

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Thank you for giving me the opportunity to speak at this HR Knowledge Bazaar 2015, organised by the Asian Institute of Chartered Bankers (AICB).

The theme chosen for this conference “Talent Management 2020 for Superior Business Performance” is both timely and relevant in sustaining the dynamism of our economic growth and development. It rightly accords the recognition that talent management is the key factor in determining the health and prospect of a particular business.

I will touch on a number of issues which to my mind have significance to the topics that the conference will deliberate.

Retaining top talent will be increasingly challenging as the economy expands, and demand for talent will come from many sectors. With the ASEAN economy expected to grow steadily over the next decade following enhanced economic and financial integration, the competition for talent will intensify. For ready-made talent, in particular, the competition will be fierce and will be compounded by the fact that mobility for this group is high. While mobility presents an opportunity for career advancement at the individual level, at the macro level, it could potentially and adversely impact the economy, if not managed appropriately. So it is critical that we are able to devise a strategy that could continuously retain and develop talent.

While the supply of talent is abundant, the supply of top talent is scarce. The so-called “Talent Paradox”, where we find ourselves with a large pool of talent in the market, but have difficulty in finding competent talent, particularly in the more specialised areas is a reality, requiring a solution. In the context of organisational learning and development, I wonder whether we have been effective in equipping our employees with the needed competencies or proficiencies in our learning interventions, where teaching approaches such as case studies, experiential learning and reflective practices are common pedagogies applied to strengthen our developmental curriculum. This I believe requires profound pondering.

Most of the problems we face in the 21st century, would likely require unique and creative solutions, especially if we want to position ourselves in that elite position where possessing the competitive edge is an imperative. Matthew E May, the author of “In Pursuit of Elegance” wrote about “Design Thinking”, a concept that requires an approach to solving problems far beyond the traditional way of problem solving. Great design is a result of a clear and thorough understanding of the user, competing resolution of competing tensions, multi-disciplinary collaboration, rapid experimentation via prototypes with continuous modification and enhancement of ideas and solutions. I thought it is quite apt to extract the idea from the book to describe the current and future challenges face by the financial services industry.

Devising 21st century solutions would require re-doing and re-thinking of the nature of learning and development. One perspective is to amalgamate the disciplinary areas of research, teaching and industry collaboration or engagement. These areas once aligned that reinforces each discipline, creating a virtuous cycle that creates a structure that produces employable and productive employees of high quality. Research must be applied-based and relevant to the present and future needs of the industry. Teaching ought to give focus on critical and creative thinking because these skills would equip a person with the necessary ability to enable innovative solutions.

Teaching also ought to focus on the development of skill sets that create an aptitude that could push the boundary of knowledge and ideas. Industry collaboration and engagement are equally important. The concept of action learning, where industry and the world of academia could interface, gives the opportunity to students and teachers to solve real business issues in the work environment. Action learning leads to mutual benefits to all parties ~ For the industry, both in terms of costs efficiency and freshness of ideas and solutions, and for faculty and students, acquisition of knowledge that is contemporary and “future relevant”.

Bank Negara Malaysia has over the years done its own “Design Thinking”. Over the last few years we had designed a human capital developmental map that creates an environment conducive for the supply for a healthy talent pipeline from the entry to the senior levels positioning. Last year, saw the introduction of three strategic initiatives that aspire to drive and support the transformation of our talent development infrastructure in an impactful manner. The criticality of these initiatives is obvious given that the financial services industry employs close to 150,000 people and requires approximately 73,000 new hires over the next 10 years. Let me elaborate a bit on these initiatives.

First, is the establishment of the Financial Services Talent Council. In July 2014, Bank Negara Malaysia established the Council with the aim of setting the strategic direction of the financial sector talent development. This initiative is one of the proposals envisaged under the Financial Sector Blueprint 2011–2020 which brings together individuals with expertise and experience across the financial services industry and academia. The Council is tasked with the responsibility to work closely with the industry, training providers and relevant stakeholders, to formulate strategies to further develop, attract, retain and deploy domestic and international talents to meet the demand of the financial services industry.

Second, is our commitment to bring the industry to greater heights of professionalism and ethics. And with the support of the Securities Commission and industry, the Financial Services Professional Board was established. This industry-led entity, comprising prominent individuals with diverse global experience is responsible to spearhead strategic undertakings to develop professional standards and ethical behaviour within the financial services industry. In this respect, the Board aspires to set new benchmarks in professionalism and ethical behaviour via advocacy.

Third, is to raise the quality of learning programs offered to financial practitioners in the country. This task was given to the Financial Accreditation Agency. The FAA has successfully launched the Finance Qualification Structure and FAA Learning Standards in September 2014. The Learning Standards will promote minimum standards in designing, developing and delivering learning programs. The Finance Qualification Structure will help to map professional qualification into a single framework that employers can use to compare and account for an employee’s prior learning. Ultimately, it will create seamless mobility for financial services practitioners to move across the industry within the financial sector.

Another initiative conceptualised in 2014 and will be introduced in 2015 is the Financial Institutions Directors’ Education programme in Islamic Finance and Shariah Leaders Education Programme. These learning interventions are specifically designed to broaden the perspective of directors and shariah scholars on emerging opportunities in Islamic Finance, while equipping them with the necessary technical knowledge and skill sets. Offered at the ICLIF Leadership and Governance Centre, the programs will deploy proven learning methodologies and approaches.

The industry has also done their part in transforming the financial services education landscape. The AICB and the Asian Banking School, the newly established entities created as a result from IBBM’s transformation in 2014, are committed to creating a greater brand identity through the offering of industry-focused professional examinations, qualifications and awards which are in tune with the evolving landscape of the financial sector. Of significance is the Chartered Banker Qualification. This designation will be the Gold Standard in banking

qualification and recognition. It will be jointly awarded with the Chartered Institute of Bankers. This award, I am confident, will be the catalyst that significantly elevates professionalism in the banking industry.

I am most inspired by the theme of this year's conference. It is pragmatic, realistic and aptly sums up the importance of talent management as we steer through the evolving financial landscape. Topics such as "Asia 2.0: Leading the Next Wave of Growth" and "Global Workforce Strategies CEOs Deploy to Achieve Leading Business Result" would be significant especially for HR practitioners managing multinational companies in Asia. Besides, topics such as "Are Our Graduates Employable?" will also be an interesting meeting point for HR practitioners and educators.

I wish you an insightful and productive discussion. I trust that today's conference is merely another step in the journey of intellectual quest that will continue long after this conference has ended.