

Heng Swee Keat: Talent management strategies in Singapore

Opening address by Mr Heng Swee Keat, Managing Director of the Monetary Authority of Singapore and Chairman of the Institute of Banking & Finance (IBF), at the 2nd IBF Annual Conference, Singapore, 20 June 2008.

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Welcome to the 2008 IBF Annual Conference which is held in conjunction with our 33rd Annual General Meeting.

When we held our last AGM and Annual Conference in May last year, the mood among global financial institutions was buoyant. The outlook for the global economy and financial markets was positive. The main concern among firms was the severe shortage of staff. Today, the mood is cautious. The credit crisis is still working its way through, inflation has become a major concern everywhere, and economic prospects are more uncertain.

In Asia, investors and economists remain cautiously optimistic about the growth prospects of the economies. While financial institutions had limited exposures to sub-prime assets and related credit derivatives, financial markets in Asia are not isolated from global markets. We are seeing a similar rise of risk aversion and tightening of credit conditions. The situation in the coming months will remain fluid and we must remain vigilant.

Talent management – a strategic imperative

The developments in global financial markets in the last one year have important implications on human resources strategy. For instance, among the many findings in the report released by the Senior Supervisors Group is that firms which weathered the recent crisis better have senior management members who have expertise in a range of risks. This underscores the need to attract and develop talent not only in the frontline, but across critical functions and at various levels of the organisation. Financial institutions planning to expand must treat talent development as a strategic priority, and such development has to be undertaken in a holistic way, across the entire organisation.

But this is not an easy task. There is a Chinese saying that it takes ten years to grow a tree, and a hundred years to develop an individual. Talent development requires consistent focus and commitment, from leaders at all levels of the organization. The efforts need to be sustained over many years, through good times and difficult times. The demographic changes in Asia coupled with rapid growth in the economies will make this task even more challenging in the coming years.

Building a world class financial sector workforce

IBF is committed to working with the industry to drive the development of talent in the financial sector. Let me now turn to some of the key initiatives undertaken in the last twelve months.

Last year, we focused on increasing the industry's adoption of the Financial Industry Competency Standards (FICS). The FICS is a comprehensive framework for continual development of our financial professionals.

We reached an important milestone in July 2007 with the appointment of 5 lead providers. Since then, over 35 programmes covering an additional 17 job families have been accredited. In the coming months, the accredited providers will roll out over 100 programmes covering 38 job families, including Compliance, Anti-money Laundering, Risk Management, Trade Finance, Product Control, Deal Processing & Settlement, Investment Advisory, Private

Equity and General Insurance Underwriting. We now have 93 certified competency-based assessors, who can provide the assessment of candidates.

On the demand side, 470 individuals have undergone the FICS accredited programmes. A total of 49 financial institutions have benefited from the FICS accredited training or assessment programmes. Apart from sending staff or programmes run by the lead providers, I am pleased that several financial institutions have adopted FICS for their in-house programmes. I encourage more financial institutions to make use of the FICS framework and the grants available to step up their training.

Last year, IBF introduced an additional set of standards on life insurance–relationship management. IBF will continue to review and expand the scope of the standards when new needs are identified. Please let us have your suggestions.

Another important milestone was also reached when we appointed the pioneer batch of 11 Financial Industry Certified Professionals (FICPs) in October 2007. Our FICPs are professionals who exhibit high standards. I am delighted that so many of our top professionals have stepped forward for this accreditation. You will serve as role models for our young.

Attracting talent into the financial sector

To increase the flow of talent into the financial sector, IBF has also been reaching out to our institutions of higher learning. Under the financial sector seminar series, IBF and our industry partners have delivered a series of talks at our universities and polytechnics to highlight the dynamism and the diverse career opportunities in the financial sector. These talks attracted a total audience of over 1000 participants.

To increase the supply of job-ready graduates, IBF spearheaded intensive finance preparatory programmes (FPP) for jobs in high demand. The first batch of students for the FPP in Global Banking and Securities Operations, which was introduced in July 2007, will be completing their programme next month. IBF is currently exploring the need for FPP in Insurance. These programmes will continue to attract 70% co-funding support from the Financial Sector Development Fund

Gaining international mindshare

To create greater international mindshare, IBF launched the FinanceConnectSingapore website to profile Singapore's financial sector, to provide more information on the career opportunities here and to promote Singapore as a choice location to live, work and play. To date, the website has registered over 100,000 visits. IBF recently partnered with Contact Singapore to provide a job portal for financial institutions to post job openings targeted at financial professionals from overseas.

Bringing value to IBF members

I have outlined some of the initiatives undertaken by IBF over the past year. Going forward, IBF will continue to take a proactive role in promoting best practices and thought leadership in talent management strategies.

On thought leadership, I am delighted to warmly welcome our keynote presentation speaker Professor Ronald Collard for this year's Annual Conference. Professor Collard will speak on the topic of "Talent Strategies for Sustained Profitable Growth". I believe you will learn much from Professor Collard's extensive experience and expertise in the area of talent strategies. I also wish to thank the panelists, David, Richard, Robert and Mark for their participation, and look forward to a lively discussion later.

As IBF management is quite confident that Professor Collard and our panel of speakers will whet your appetite for more learning, I am pleased to announce that we will be holding the Beacon Series for HR Professionals in October and the Distinguished Speaker Series for business leaders in November.

The year ahead will be exciting. Many of you have contributed to IBF in various ways. I wish to thank my fellow Council members, the FICS Steering Committee, the FICS Working Group members, and FICPs for your contribution to promoting the FICS framework.

Let me extend my appreciation to our industry associations and partners, including the Embassy of Switzerland in Singapore, Swiss House Singapore and Swiss Business Hub ASEAN for partnering IBF in its organization of the workshop on “Talent Development in Wealth Management” in November last year; and PricewaterhouseCoopers without whom we would not have had the pleasure of listening to Professor Collard today. I also wish to thank the Singapore Workforce Development Agency and the Monetary Authority of Singapore, for their close collaboration with IBF. I look forward to more of such collaboration between IBF and our industry associations and partners in the year ahead.

I wish you a fruitful session ahead.