

Ravi Menon: Preparing the workforce for a changing financial industry

Welcome remarks by Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore, at the Institute of Banking and Finance Distinction Evening 2018, Singapore, 4 October 2018.

* * *

Mr Chan Chun Sing, Minister for Trade and Industry,
Members of the IBF Council, distinguished guests, ladies and gentlemen,
Welcome to the IBF Distinction Evening 2018.

We are delighted to have Mr Chan Chun Sing as our Guest-of-Honour.

- ♦ Minister Chan, as you know, has played a leading role in the labour movement, to help prepare our workers for the future.
- ♦ And now Minister for Trade and Industry, he is leading Singapore's economic development efforts.
- ♦ He will bring together his insights from these two important roles and share his thoughts later on building a smart workforce that is ready for the economy of tomorrow.

The IBF Distinction Evening is probably the only large platform that brings together the entire financial industry – banks, insurers, asset managers, financial advisers.

- ♦ It is an opportune occasion – not only to catch up with colleagues and friends and celebrate our achievements as an industry – but to also reflect on the big drivers of change and key priorities for us as an industry.

There is much to celebrate. Singapore's financial centre is doing well.

- ♦ Growth in financial services in H1 this year was 8%, nearly twice as fast as the overall economy.
 - ♦ In fact, the financial sector has been growing faster than the overall economy in 6 out of the last 7 years.
- ♦ Year-on-year growth in the financial sector will moderate in H2 because of the high base last year and some maturing in momentum.
- ♦ MAS expects financial sector growth for the year as a whole to average around 6%.
 - ♦ Not bad at all, considering the challenges facing the global financial industry still emerging from the long shadow of the global financial crisis.
 - ♦ Slower trend growth, tighter regulation, keener competition, and increasingly technological disruption.

We often talk about growth, regulation, competition, and technology. And indeed they are key drivers of the financial industry.

But I think the issue that is of most relevance to the long-term prospects of our financial industry is *people and skills*.

- ♦ No matter how many robots and algorithms we use in our business in the future, our industry will remain a people-centred industry.
- ♦ The question is:
 - ♦ What kind of people?

- ♦ Will they have the skills and aptitudes to harness the opportunities that a rising Asia and the digital transformation are creating?

We cannot transform the industry if we cannot transform our workforce.

- ♦ Technology alone will not do it.
- ♦ We need the people and skills to harness that technology - to serve our customers better and seize opportunities in new markets.

There is another reason why investing in people and skills is of critical importance.

- ♦ There is growing anxiety the world over about the impact of globalisation and technology on jobs and livelihoods.
- ♦ The anxiety is not unfounded. If people cannot or do not adapt to meet new competition or integrate new technologies, they will be left behind.

The answer is not to hold back globalisation or technology but to:

- ♦ make globalisation and technology work for everyone;
- ♦ use technologies to create new and better jobs; and
- ♦ most important, equip our workers and professionals with the capabilities to secure those jobs.

Preparing the financial industry workforce for a future smart financial centre is the raison d'être of IBF. The work we do together in IBF – involving all of us here in the industry – is critically important. And there is urgency to it.

IBF's mandate has been expanded to help synergise the efforts of unions, financial institutions, and the government around workforce transformation.

- ♦ IBF is now the single point of contact for all matters relating to skills, careers, and jobs in the financial industry.
- ♦ By looking at skills development, career pathways, and job placements in an integrated manner, IBF is in a better position to help finance professionals in a more comprehensive and holistic way.

IBF, MAS, the industry, and trade unions have been working together on several fronts to help equip the financial industry workforce for the future.

- ♦ We are systematically assessing current and future skills requirements in various job roles in specific financial activities.
- ♦ We are implementing Professional Conversion Programmes (PCPs) to pre-emptively re-skill employees whose roles are impacted by change.
- ♦ We launched the IBF Careers Connect two months ago to help our workforce navigate career changes, acquire relevant skills, and be job-ready.
- ♦ We are working with SkillsFuture Singapore (SSG) and Workforce Singapore (WSG) on a Skills Framework for Financial Services that will provide individuals with information on employment, career pathways, occupations, job roles, emerging skills and competencies, as well as relevant education and training programmes.

As leaders of our institutions and businesses, we have a special role to play.

- ♦ If each of us can commit to plan for our own workforce, to develop them and give them the best opportunity to stay relevant, the transformation of our workforce will be that much

smoother.

- ◆ Let us mobilise and inspire our staff to inculcate a growth mindset to stay competitive and step up to take action.

To help do that, IBF is pleased to launch of the #FutureMeNow movement.

- ◆ This is a call to action, for industry professionals and leaders to take ownership and contribute to enabling our workforce for the future.
- ◆ Individuals can pledge to learn something, talk to someone about their career plans or be a mentor.
- ◆ IBF will work with the pledgees to realise their pledges.
- ◆ There are about 500 of us gathered here today.
- ◆ I invite you as industry leaders here tonight to be the first to be active multipliers.

Transforming our financial industry workforce for the future requires a collaborative partnership among all of us here:

- ◆ where leaders provide the example and set the tone;
- ◆ where financial institutions provide the opportunity to upskill and reskill; and
- ◆ where people take ownership of their own professional development.

Thank you for taking time to be here this evening. I wish you every success as you build up your businesses and your people, and together we build up Singapore as a global financial centre offering good jobs and meaningful careers for our workforce.