

Investing in human capital – a strategic imperative

MOST of us have heard of flight and military simulators. One financial institution here has taken the concept a step further, and created an entire simulated branch of its bank – all in the interests of making sure staff are ready to serve customers from the first day at the “shop floor”. At Learning @ Commonwealth, the simulated branch that Standard Chartered opened earlier this year and a first in Singapore, trainees learn to deal with “customers” who are retired bank employees and assist them with their banking needs.

“We want to make the training as real as possible,” said Lim Cheng Teck, chief executive of Standard Chartered Bank in Singapore. “Simulated training is used in many industries but it is new in the banking and finance sector. And the bank also taps on the expertise and experience of our retired bank employees. With them playing the role of ‘customers’, our staff are able to better understand the behaviour and concerns of real customers.”

Mr Lim said, “We have always placed a lot of emphasis on experiential training and our new batch of trainees will benefit from the advice of our retired bankers. We are pleased that these very same traits have helped us achieve the FICS Training Accreditation in Relationship Management – High Network.”

This is just one example of the large emphasis some international and local banks in Singapore place on the investment and development of talent. “At UOB, human capital is a key differentiator,” said UOB deputy chairman and chief executive officer Wee Ee Cheong. “We are in a service and knowledge-based industry, where it starts and ends with people. As a committed player in this business, one of our key priorities is developing a strong regional talent pool.” Mr Lim said, “We see training and development as an investment in building the capabilities of our people to deliver superior performance. Through a combination of technical skills and soft skills, we ensure that our people have the tools, the right kind of skills and experience to succeed in whatever role he or she does.”

The importance of training and development is even more crucial in light of the current financial turmoil, human resource consultants have said. Developments in global financial markets over the past year have important implications on human resource strategies. The crisis reflects the need for expertise in managing risk within financial institutions, and this hinges on the ability of these financial institutions to attract and develop the right talent to help prepare for and respond to a whole myriad of challenges. These consultants emphasised that financial institutions that plan to grow must treat talent development as a strategic priority, and such development has to be undertaken in a holistic way, across the entire organisation.

“Our experience and research shows intangible value comes when organisations create sustainable capabilities through their HR practices,” said professor Dave Ulrich, partner and co-founder of The RBL Group and a professor of business at the Ross School of Business, University of Michigan. “This focus will have a positive impact on all industries and help them meet unexpected challenges, including banking and finance.” Standard Chartered and UOB agree. Both banks invest heavily in training and development, with classroom programmes as well as continuous learning and exposure on the job. “It is an ongoing journey, especially with banking becoming increasingly complex and dynamic,” said Mr Wee. “Often, the way to grow is to stretch and get out of one’s comfort zone.”

While it is important to deepen one’s skill-sets with specialisation, both banks encourage job rotation as one way to gain exposure and more well-rounded development. This, they said, benefits both the individual and the organisation, with greater cross-functional understanding and collaboration. “Cross-functional and geographic moves are actively promoted at Standard Chartered. We want to support and develop well-rounded employees with broad international perspectives who have the right kinds of skills to succeed,” said Mr Lim. Mr Wee noted that the most important thing about any training policy is that it has to evolve with the changing needs and expectations of customers and staff.

In the early 1970s, when education levels among Singaporeans were relatively lower, UOB’s training was focused mainly on providing employees with basic skills such as language proficiency. But over the years, with increasing use of technology and as the population improved in terms of education and affluence, the bank has modified its training programmes accordingly. For instance, to cater to the increasingly sophisticated needs of customers, UOB became the



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first local bank to offer formal FICS (Financial Industry Competency Standards) accredited programmes in wealth management for its relationship managers.

The FICS accreditation signifies the recognition of an institution which has put in place a robust system for the development and delivery of quality training programmes including selection of trainers and on-going monitoring of training effectiveness. The rigorous accreditation process involves desk-top review of training materials as well as on-site visits and meetings with the key personnel involved in training development and delivery. Brian Lee, an insurance agent from Great Eastern Life, is one of the pioneer batch to receive the certification of competency under FICS framework. He said, “I feel that the FICS is a very good endorsement and recognition of professional standards on the field.”

With extensive engagement of senior practitioners in the competency standards development and validation process, the FICS accreditation also signifies that the programme developed by the institution has met the Curriculum and Learning Outcome Standards to be deemed practical and relevant to a specific job.

The advancement in training here has contributed to the development of Singapore’s financial sector over the years. The financial market here is increasingly more sophisticated and with financial products becoming more complex and varied, professionals in the banking and financial industry need to evolve with the industry. Standard Chartered for example has started a Quant Academy programme in Singapore, working with universities to provide internships for highly qualified students who want to start their career in the quantitative finance sector.

Mr Lim said, “We were the first bank to be accredited the Financial Industry Competency Standards for Financial Markets in 2006. This accreditation status allows us to benchmark our training and development programmes and capabilities to the industry’s standards.” He also noted that “The FICS certification helps raise the level of skills and competencies of the individual and increases the professional standards in the industry as a whole.”

“It helps that our regulators and industry bodies have been forward-looking and supportive in promoting the upgrading of skills and expertise across the industry,” said Mr Wee.

The FICS framework is an important initiative launched by the Institute of Banking and Finance. Added Mr Wee: “UOB has been actively seizing opportunities such as that under the FICS to raise the standards, knowledge and professionalism of our staff.”

In addition to training and development, the other key aspect of human resource policy is recruitment. Both Standard Chartered and UOB take this very seriously. “Our HR team actively headhunts for talent and people in Singapore and in the region,” said Mr Wee. “I take a personal interest in the process and am actively involved in sourcing key talents for the bank. After all, as chief executive, one of my key roles is that of chief headhunter!”

“Standard Chartered’s fast growth here over the years means that it has attracted some of the brightest in the business,” said Mr Lim. Like most banks here, Standard Chartered works with both foreign and local universities to recruit promising young undergraduates. “We need a constant pipeline of talent to support our growth here and around the world,” said Mr Lim. For those with a strong inclination of having a career in finance, “the key traits that the bank looks for,” said Mr Lim, “include ambition, thrive on challenges, open mindedness, have an interest in world affairs and the ability to think out of the box; we will then support them with classroom training as well as on-the-job training to help equip them with the right skills to succeed in their banking career.”

“Looking ahead, there are some areas that would require more attention,” said Mr Lim. “We want to make sure that people in wealth management – such as private bankers – receive training so as to be proficient in terms of product knowledge,” he said. “Risk management and financial engineering are also areas that need more emphasis. It is encouraging that Risk Management Institute of NUS has launched various risk management programmes under the FICS framework to respond to these needs.”

But what is paramount at all times, said Mr Wee, is having integrity. “I emphasise to our people that we must always maintain the highest standards of professionalism.”

FICS is a set of competency standards developed by industry for 53 job families across the financial sector and it marks a significant effort to produce high-calibre financial services professionals who can respond to the increasingly



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complex and sophisticated demands of the financial industry. IBF has worked with MAS, WDA and industry players to develop a Financial Industry Competency Standards (FICS) framework to raise the professional bar of the financial sector workforce and training providers. For information on FICS, e-mail fics@ibf.org.sg or visit www.ibf.org.sg

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Why Financial Industry Competency Standards (FICS) Accredited Programmes?

In a competitive industry that is undergoing a period of uncertainty and volatility, organisations will face constant change and intense pressures. Investing in training and professional development equips your talent pool with the skills to remain relevant to the needs of this evolving industry.

Let FICS pilot your organisation through challenging times.

Industry Benchmark FICS benchmarks your staff’s skill set to international industry standards	Accelerate Learning FICS provides opportunities to practise and apply the knowledge and skills learned in simulated work scenarios	Relevance FICS ensures the training that your staff receive is relevant to today’s business needs	Rigorous Assessment FICS distinguishes financial professionals who meet the competency benchmark from their peers
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Spearheaded by IBF and jointly developed with the financial services industry, FICS is supported by the Singapore Workforce Development Agency and the Monetary Authority of Singapore (MAS). Funding support is available under the Financial Sector Development Fund which is administered by MAS. To find out more about FICS and funding support, please visit www.ibf.org.sg

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