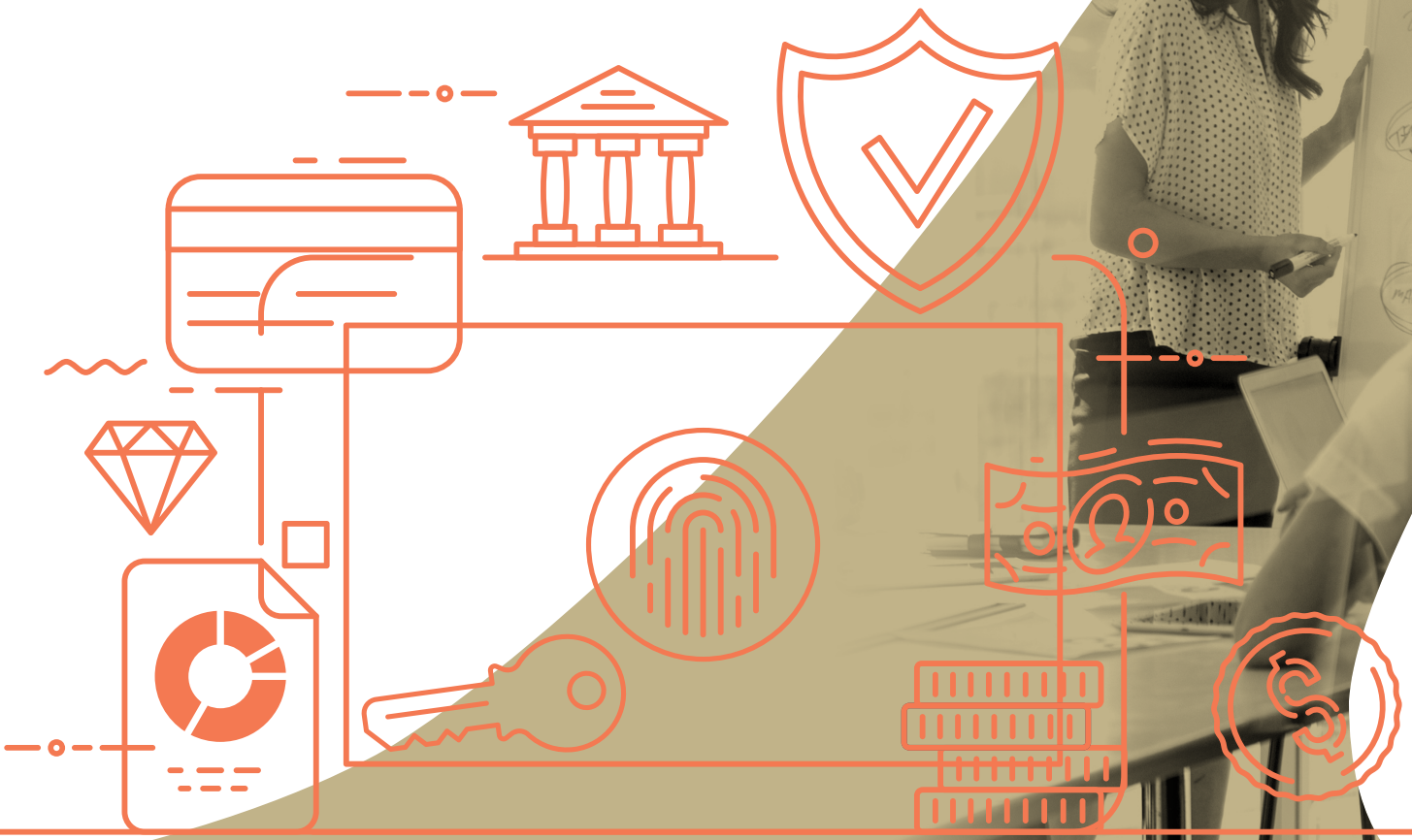


A REVIEW OF

ASEAN Banking Trends & Talent Availability

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**THE WORLD IS IN
THE MIDST OF ITS
4TH INDUSTRIAL
REVOLUTION.**

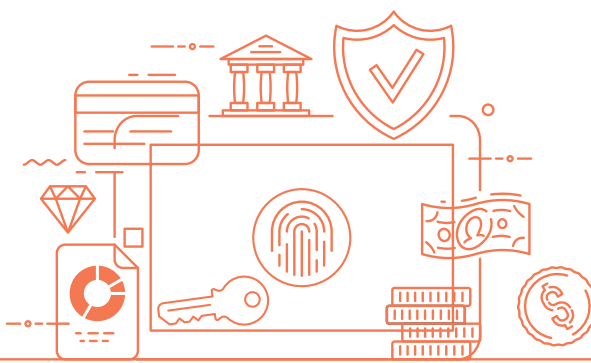


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The financial services industry is one of the most high-profile sectors undergoing disruption. Fintech has been big news for years now, but we are finally seeing large fintech businesses have a significant impact in the global financial services markets.

This is most apparent in emerging markets where large percentages of the population remain outside the traditional financial services ecosystem and yet have access to the internet via affordable smart and feature phones and cheap data availability.

Companies previously well outside the confines of Financial Services, such as the big tech and social media companies are pivoting to start offering financial services products to their customers.

Financial inclusion is very much a priority for emerging markets in Asia, as this is deemed to be a key to unlocking the ability to elevate large portions of the population into the middle classes, increasing the wealth and GDP of these

nations and launching the region into a period of unprecedented growth and prosperity. In this case, the future of the ASEAN market truly is a staggeringly exciting one.

In addition to this, governments are encouraging the use and development of products as part of a wider Financial inclusion initiative. These products include Peer2Peer lending, micro-loans for people and small businesses without traditional credit scores; payments applications allowing cashless transactions for bills, general consumer spending; using distributed ledger technology to secure transactions; and many other solutions which support the large percentage of the global unbanked population to start accessing financial services products previously not accessible to this market.



Technology has advanced to a level of sophistication where it can significantly disrupt every industry.

From manufacturing, to food delivery, to logistics and financial services - new technology platforms and products are fundamentally changing the way we live and work. Technology is becoming the central pillar of business, rather than just a supporting actor.

This rise in technological sophistication is allowing businesses to capitalise on the data they are capturing to understand consumer trends and areas for business efficiency. In turn, this allows them to offer more personalised products and services to consumers in the way people most want to access them.

The key factors which have enabled this paradigm shift include:

- **Unlocking Big Data**
- **Scalable, accessible software systems, allowing easy access to products and services online**
- **Increased mobile data speed, coverage and affordability**

Trends in Retail Banking

The broad consensus among industry thought leaders is that the future of banking will revolve around the following key principles:

Developing a customer-centric business model

Optimising distribution

Simplifying business and operating models

Obtaining an information advantage

Enabling innovation, and the capabilities required to foster it

Proactively managing risk, regulations and capital



Trends in Retail Banking

DBS in Singapore is possibly the best example of a retail bank in Asia that has actively embraced the concepts of customer centricity, channel optimisation and innovation. They have invested heavily in their technology infrastructure and technology development process and methodology, building a backbone infrastructure which allows them the speed and flexibility to build, test and deploy new products rapidly. The results have been positive. It is a great example of a business that was once viewed as a traditional, slow-paced Asian bank changing market perception and becoming an aspirational and forward-looking brand for potential employees.

If we look globally, many of the large western banks have offered sophisticated eBanking services for quite some time and it is now unthinkable that a large bank would not have an outstanding digital offering.

The key to this innovation and change process seems to be putting the customer at centre of the journey and trying to provide products and services which are easy to access, easy to understand and easy to use.

It is a great example of a business that was once viewed as a traditional, slow-paced Asian bank changing market perception and becoming an aspirational and forward-looking brand for potential employees.

Technology has been a great enabler of this, as it has allowed more advanced features to be offered via mobile and online channels. However, the adoption of new technology must be accompanied with a change in delivery methodology and businesses must be able to work in an agile way to trial new products at minimal cost of development.

Opportunities & Threats

The opportunities for financial services businesses in ASEAN are clear. The predicted outcome of financial inclusion is that as more wealth is generated, more people are driven into the financial services ecosystem. This should in turn lead to significant regional economic growth, driving more people with more spending power into the economy.

The threats that traditional financial services businesses will face in this time will come from their ability to remain competitive and relevant in a very rapidly changing market.

The predicted outcome of financial inclusion is that as more wealth is generated, more people are driven into the financial services ecosystem.

Big tech companies are building very large ecosystems. As seen by WeChat in China, when companies with the level of daily usage and market penetration that the large social media companies have start offering services like payments, it can be a game changer. In some cases, this even leads to significant changes in consumer behaviour.

Fintech companies are looking at offering products and services to consumers in a way which will disrupt and compete with traditional financial services players. This might include services such as: branchless banking; providing micro-finance to people without traditional credit scores (using alternative data) either through institutions or peers; payments services which give people the ability to pay bills remotely by way of QR code; access to products and financial instruments at a level of personalisation and customisation previously only accessible to high net worth individuals.

Even if traditional financial services institutions are aware of these threats and are actively pursuing a roadmap to modernise their offerings to their consumer base, success is still not guaranteed. If this change takes too long, the company may end up rolling out an obsolete product; or taking too long to reposition and in this time lose market share to a fast-growing disruptor or more agile competitor.

What are banks doing to stay relevant?

Focus on customer centricity - all of the successful tech disruptors and high growth technology start-ups have one thing in common. The first question potential investors often ask companies looking for funding is “what problem are you solving?”. Customers are at the centre and unless your product fixes a problem, solves an issue, or provides a more convenient way for your customers to carry out an important process, the product is unlikely to succeed.

Become agile - possibly one of the most over-used corporate terms of the millennia, being agile is also probably the most important. A company’s agility impacts its ability to launch new products, introduce new technologies or take new directions in business. In the current market, it is not survival of the fittest, it is survival of the most adaptable.

Innovate and transform - new operations and business models are key to surviving the current disrupted environment of the financial services industry. Companies need to be able to adapt quickly to a changing market and provide new and relevant products and services to their customer base quickly.

Cloud-based and open API - as mentioned earlier, technology is quickly moving from becoming a business enabler (or in some opinions, inhibitor) to becoming the actual business. For a business to scale and pivot quickly, launch new products and be able to innovate, its technology infrastructure must be able to support this approach. Having a cloud-based and open API infrastructure allows agility in product development, testing and technology adoption, and enables businesses to transform quickly.

In a PwC survey on Banking, the top challenge that bankers expect to face in 2020 is attracting and retaining talent.



According to McKinsey, the two most important people to a CEO are the CFO and CHRO; and that for a company to thrive, the ability to identify, hire, and nurture talent must be a central function.

ASEAN does have an existing pool of talent to draw from and is a geographically desirable location for many expats - so attraction of talent is possible. However, there is a global shortage of talent in the Financial services and technology industries and attracting talent is a complex and multi-faceted problem.

Overview of Talent Pools - Availability & Limitations in ASEAN

Financial Services

In a hiring trends report, PageGroup have outlined that the top three hiring trends in the SEA market are:

- Increase in number of fintech firms in the market, and venture capital interest in those firms.
- Demand for Quantitative Traders has increased, resulting in a talent squeeze.
- Rise in trends for back-to-middle office functions to include technological capabilities like the latest RPA (Robotic Process Automation) software systems and applications.

As per this survey, the most in-demand roles are:

Private Banker

VC Investment Professional

Finance Manager

Compliance Manager

Cybersecurity Professional

Digital Transformation Professional

Technology

Ecommerce, with its related investment, is a huge driver for growth in the region and it seems that most large businesses are investing in technology. Everyone is embarking on (or has embarked on) their own digital transformation journey.

This widespread digital transformation typically utilises skill sets from within a specific family of modern technologies. The majority of businesses, from the person starting an online business in their front room on a shoe string (or boot strap) to the largest global investment bank and onto the big tech giants are all looking for technologists from that same family. There aren't enough people to go around. This is a problem for companies of all sizes and competition is fierce.

This digital family of roles covers digital transformation, application development, cloud engineering and architecture, platform design, infrastructure, big data, product design, innovation and cybersecurity.



Key battlefronts in the war for talent

As detailed, the global talent market is already in a crunch for business professionals who can bridge the gap between emergent technologies and existing business. This is particularly key when searching for leaders to drive business forward. They must have strong business and subject matter expertise, however they must also be digitally fluent and really understand how technology can empower and disrupt the business.

Hiring across South East Asia

In the markets outside Singapore, the problem is magnified. Singapore has been a technology hub for some time now as the location of many regional IT and development hubs. This has grown the population of IT professionals significantly, and whilst there is a shortage of IT talent in Singapore, there is still a good-sized pool to select from.

Whilst Malaysia is well-established in the Shared Services arena as a favourable location for many MNCs to host their outsourced locations, it is in a similar position to the other large economies in SEA. These countries have large populations, into the hundreds of millions, with rapidly increasing internet penetration as infrastructure matures, mobile coverage improves, and barriers to access these become lower.

Whilst there is a shortage of IT talent in Singapore, there is still a good-sized pool to select from.

There are communities of digital natives and professionals with modern technology skills in these markets, but accessing them can be challenging, even for large, established businesses. One avenue many businesses are keen to explore is the “Returning Citizens” route, where individuals who have studied, worked and built their career overseas, are now interested in returning home for personal reasons along with the exciting professional opportunities that come in a market with this level of growth and investment.



Asia-Pacific

The larger, more mature markets in APAC, particularly Singapore, Hong Kong, India and China can be an excellent source of candidates. The maturity of the financial services markets combined with recent advances in fintech and financial inclusion mean that there is a good pool of candidates who will be well-aligned with emerging market requirements and the challenges around transformation of businesses.

These professionals often have experience in helping businesses leapfrog a few generations of technology and delivery methodologies to modernise work practices and technology stacks. This provides a platform from which these institutions can launch the next phases of their growth and evolution. However, demand for this talent is high, and traditional financial services firms are now also facing competition from technology businesses, start-ups, fintech, unicorns and consultancies.

Global Market

Globally, there is a very rich pool of talent in cutting edge technology building businesses. Given the global economic climate, ASEAN's high profile prominence as a growth region, and general quality of life for expats, there is a healthy pool of candidates from which to choose. The difficulty with candidates from outside the APAC market is that there can be a higher relocation risk than bringing in candidates from within APAC. It's wise to go to a greater depth of due diligence during the onboarding process to ensure that relocation risk is mitigated as much as possible.



Running a Great Process to Engage, Attract and Retain Top Talent

The interview process is usually a candidate's first engagement with a business and is a vital part of engaging talent you are targeting. It is imperative to run a smooth and professional process, as a badly run process can reflect badly on the prospective employer and drive people away prematurely. Below are detailed a few key considerations for running a good interview and onboarding process.

Attracting talent

With a wide range of options for existing candidates, attracting talent can be challenging and it is incredibly important to make your roles sound exciting and aspirational. Information is key to this and providing candidates with a good overview of the upside, the project and challenges can go a long way to attracting and securing candidate engagement early on.

Presentation of the Role

- Detailed briefing of the role including projects and responsibilities, team, opportunities, challenges, possible progression, reporting lines and key success metrics
- Detailed benefits and package outside of specific financials

Presentation of the Company

- Highlight opportunities of movement and growth - ASEAN is high-profile, fast-growing and transforming
- Understand and manage external perception of company.
- Acknowledge and mitigate any possible negatives

Engagement and Process

The interview process is often the first time that a candidate will have any meaningful engagement with your company. This is your opportunity to impress. A slick and professional process shows your candidates that you are a well-run organisation and that you value their time and input.

Interview Process

- Timely feedback on submissions
- Seamless interview process: detail the process and the interview stages at the start and stick to it
- Ensure internal stakeholders understand and buy into the process
- Commit to feedback within a reasonable period following the interview

Closing and Retention

Relocation Management

If the candidate is coming from overseas and is relocating with a family, it is very important to provide support for the relocation.

This can include:

- A pre-signing visit with the family to see the company and city you're based in
- A relocation consultant to help with housing, schooling, and generally settling in

On boarding processes

- Ensure an open channel of communication between signing the contract and on-boarding. This can be with peers, HR or the hiring manager.
- Focus on retention.
- Follow up with the candidate after starting to ensure they are settling in well. Make sure that you are addressing any concerns early and work with them to overcome any problems .

Package

- When relocating expats to less traditional locations, a strong financial incentive can attract candidates who may not consider this otherwise. It's not always necessary to offer this at the outset, or to all candidates, however it can be the difference in finding someone for important and niche open roles.
- Many companies in emerging markets offer packages where the tax is paid by the employer.
- It is worth considering offering a two year contract with completion bonus.
- Consider providing housing, schooling and annual return flights to the candidate's home country.

How PageGroup Can Help



How PageGroup can help

At Page Executive, we understand the fast-moving Asian market and what candidates are really looking for. We are actively curating relationships with leaders in the industry and have a proven track record of helping businesses secure the very best people to join them. In addition to this, we have an outstanding sourcing methodology, supported by a full research function and a globally leading digital brand, allowing us to reach more people than any of our competitors.

We also have deep experience within leadership positions in financial services and technology. We are a team of expert recruiters with extensive global experience combined with strong local market knowledge and are looking to partner with our clients to provide the highest level of service.

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Beyond search, we are also very keen to offer our expertise in partnership with our clients to help augment your recruitment processes, by sharing our in-depth knowledge to ensure that every search you conduct is well-aligned, smoothly run and ultimately successful in finding you the most appropriate candidate for the role.

Further Resources

Page Executive: Future of Banking Series

<https://www.pageexecutive.com/advice/topics/executive-events/future-banking-technologically-advanced-sector>

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