

**Speech by Mr Ong Ye Kung, Minister for Education
and Board Member of Monetary Authority of Singapore
at the launch of the Institute of Banking and Finance Careers Connect
1 August 2018, 10 am**

Distinguished guests, ladies and gentlemen

Financial industry undergoing rapid change

1 Jobs roles in the financial industry are changing, but I think it's happening in every industry, because of technology and digitalisation. It is affecting everybody. Innovation has become the new expectation, and I believe we are only at the beginning of this transformation, probably just at phase one.

2 From a national perspective, innovation is a double-edged sword. If we can embrace technology and innovation, and make it work for us, we will raise the competitiveness of the industry, improve the capabilities of our financial services workforce, create more jobs and improve lives. But if not handled well, people will lose faith in innovation and distrust new technologies, workers attitudes will turn against us, and over time it becomes something negative. So this first phase and how we handle it, is extremely important. And it is the most critical as it affects people's jobs, it affects people's livelihoods directly.

3 Consumer banking is one good example. It was very much predicated on banks' network of branches and automated teller machines (ATMs). Today, transactions are increasingly being managed through digital and mobile platforms. Robotic process automation (RPA) has the potential to automate data entry and documentation across a network. It's very powerful, including even in the office space and not just the factory floor. All these affect current jobs. At the same time, the availability of data and use of artificial intelligence has allowed banks to gain much deeper insights into customers' needs and assess risks, catalyse the introduction of new products, and has the potential to create many more new jobs.

4 In general, the net effect is that we will need fewer people in rules-based jobs and processing functions, and that applies to the public service as well, and more people in high-technology and high-touch roles. High technology if you are working on a software and working on developing the application, enterprise architecture or cyber security, to make technology work better for us. High-touch if we are using the technology to better serve customers, such as in client management, user interface design, talent development and management. And inevitably, segments of our existing workforce will need to be re-skilled so that they can take up these high technology and high-touch roles.

IBF to support workforce transformation

5 This will be the mission of IBF Careers Connect. Career centres is not a new concept at all, and we have seen them in various forms. They have been established by Ministry of Manpower, Community Development Councils, NTUC, Workforce

Singapore and this is not the first one. I think what is first in IBF Careers Connect is that it is dedicated to the financial industry, and is conveniently located in the CBD, together with MAS. And it will bring its expertise in skills development and strong industry connections to help individuals who are affected by change.

6 For a start, IBF will coalesce efforts across financial industry, unions and government to form a one-stop, integrated approach to career advisory, job matching and skills development. The existing functions of the Financial Industry Career Advisory Centre (FiCAC) will be subsumed under IBF Careers Connect.

7 Second, IBF will also take a longer term view to work with financial institutions to develop career roadmaps and training opportunities. This is especially where job activities are fast becoming redundant. We want to be able to intervene early and facilitate professional conversion, before the jobs are even lost.

8 We have started well with intra-company transitions. In September last year, former Minister for Manpower Mr Lim Swee Say announced that major consumer banks will retrain 3,500 existing employees over the next two to three years. Since then, the banks have been equipping existing employees for roles such as relationship management, quality assurance, process re-design, data analytics and digital marketing – all of which will be relevant in this digital era. Over 800 employees have started training, and 450 have completed their skills upgrading and deployed into new roles. So we are well on target.

9 One example is Amy, who has been with UOB for 38 years. She is 58 years old and is a service manager. Since the start of the year, she has undergone 6 months of training to learn design thinking and data analytics. With a better appreciation of the ways in which technology can be applied to banking, Amy now uses her new skills to better serve her customers.

10 We like to use big words. Everywhere you turn now, the most popular course include design thinking, artificial intelligence, data analytics, all very big words but these are skills that everyone of us can pick up. Design thinking is mostly about understanding what your customers want and deliver your service based on their needs rather than what is convenient to you. Most of us need that training actually. Data analytics is really to gather information, make sense of it and then decide how to improve your product and service. If the data shows more people of a certain age group like this product, then perhaps we market to this group a bit more. It is not rocket science, all of us can learn this.

11 Beyond consumer banking, the industry will replicate this effort in other job areas, such as transaction processing and operations management. The potential for automation is high but it is a challenge to carry out re-skilling without interrupting the day-to-day operations. IBF has started to make progress with seven financial institutions, to re-skill more than 400 existing staff, while automating and re-designing processes at the same time.

12 Besides intra-company efforts, IBF will also facilitate inter-company and cross-industry transitions. IBF is in a good position to advice on hiring trends, skills required for the different job roles and relevant training programmes that will help with the

transition. It will also leverage its partnerships with Employment and Employability Institute and Workforce Singapore to support individuals looking to move across industries.

Conclusion

13 In conclusion, this is a tripartite effort, and I want to especially recognise, the role of NTUC. Assistant Secretary General, Patrick Tay is here with us today. All this started from a unit in NTUC called the Unit for PMEs (UPME) and Patrick Tay was tasked to lead this. One of the early efforts was to start FiCAC. I must say that the Union does not know that much about the financial industry, but they really want to help workers. So I think it was really from a pioneering spirit, and spirit of wanting to help and to experiment that they started FiCAC. Over time as its role grew and we recognised its importance, the Financial Services Tripartite Committee decided to upgrade this to a full service centre in IBF at MAS Building. This is how it started, and how we ended-up here today. Thank you very much to NTUC, this is really about tripartite cooperation and this is also a very good example of how we operationalise the Industry Transformation Maps (ITMs).

14 ITMs are a big roadmap, but it is only when the rubber hits the road - you see the concrete initiatives, lives are improved, people are trained - that you really appreciate what ITM is about. This is a concrete example of how ITMs can be translated to the ground and to the industry. Thank you for attending today's event, and let's all wish IBF Careers Connect a bright future, in helping workers and the financial industry in the years ahead. Thank you.

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