Talent Development Survey 2017

A report by The Hong Kong Institute of Bankers to understand the current talent development landscape in Hong Kong’s banking industry
Dear Members,

The banking environment is getting more complex and is evolving faster than ever before. The emergence of FinTech is revolutionising the traditional role of the banking industry, asking questions about how and where services are delivered. This leads to a new landscape that presents both opportunities and challenges for the sector.

To understand the impacts of these changes on the banking industry, and the need for related training, The Hong Kong Institute of Bankers (HKIB) conducted the Talent Development Survey 2017. This follows the successful survey in 2016 and allows us to identify trends and benchmark sentiment. We were delighted with the positive response that we received and thank you for those participated in the survey.

Amongst the key findings we were pleased to discover that the practitioners who responded believe banking to be appealing to young people and generally regard FinTech as an opportunity to the industry. Ensuring a flow of new talent and embracing the technology are particularly significant phenomena that will ensure our industry is sustainable and key drivers for the HKIB.

Another finding was the strong demand for standardised training and a streamlined path in terms of career development. This insight underlines the importance of the work the HKIB does as a benchmark setter and training service provider with our range of professional programmes.

The Certified Banker (CB) qualification, a common qualification benchmark launched by the HKIB, is said to be one of the most important qualifications in the banking industry since its launch early this year. Developed in conjunction with regulators and market participants, this qualification is intended for practitioners who wish to advance their career within the fast-changing banking environment. Our website has more details on this programme and information on how to join this next cohort.

The sustainable growth of the banking industry relies on people and talent development. The HKIB will continue to support the capacity building in the banking industry to reinforce Hong Kong’s status as an international financial centre. Thank you for your interest in this survey and I hope for your ongoing support and engagement with the HKIB.

Carrie Leung, Chief Executive Officer, The Hong Kong Institute of Bankers
The findings of this survey can be divided into two key areas:

1. Banking Industry Outlook
   - General overview
   - Emergence of FinTech

2. Training Landscape and Demand
More about the research

Respondent Profile (1)

- **Gender**
  - Female: 39%
  - Male: 61%

- **Age**
  - Aged 18-34: 44%
  - Aged 35-49: 34%
  - Aged 50-64: 22%

- **HKIB Member?**
  - Yes: 48%
  - No: 52%

- **Background**
  - Banking Employees: 60%
  - Academics or university students: 13%
  - Employees of professional bodies/institutes: 10%
  - Employees of FI (non-banks): 8%
  - Training professionals (non in house): 6%
  - Regulatory Professionals: 3%
More about the research

Respondent Profile (2)

Years of experience
- Less than 10 years: 42%
- Between 10-20 years: 26%
- 20 years or above: 32%

Seniority
- Senior Management/Board Director: 19%
- Supervisors/Middle Management: 43%
- Banking Officer: 38%

Business Division
- Risk and Compliance: 26%
- Retail Banking: 15%
- Commercial/Corporate banking: 14%
- Wealth management: 9%
- Finance and Treasury: 9%
- Management: 5%
- Human Resources/Training: 5%
- Information Technology: 4%
- Investment banking: 3%
Research highlights:
findings at a glance
Findings at a Glance

Part 1a: Banking Industry Outlook – General Overview

75% of respondents agree banking is a profession.  
2016: 66%

Almost 80% of respondents think they are likely to stay in the banking industry for the next five years.  
2016: 76%

Almost 60% of respondents consider that the banking industry to be appealing to young people.  
2016: 60%

On the same question, 67% of those aged 18-34 agree that banking is appealing.  
2016: 51%

Risk & Compliance (40%)  
2016: 34%

& Wealth Management (12%)  
2016: 17%

continue to be perceived as the most attractive business divisions for developing a career in banks
Part 1b: Banking Industry Outlook – *Emergence of FinTech*

Findings at a Glance

55% of respondents think **FinTech is as an opportunity** for the industry.

Over **40%** of respondents believe their roles will be **replaced by automation or FinTech**, especially among the young (56%) & less experienced (53%).

Yet the more experienced (63%) and senior (72%) staff tend to be **less alarmed**.
Part 2: Training Landscape and Demand

Similar to last year, almost **80%** of respondents think that the **Common Qualification Benchmark** helps to raise practitioners’ professional status.

**84%** of respondents recognise the need to streamline the training path.

**94%** of respondents find it difficult to evaluate a professional qualification, mostly because there are **too many qualifications** in the market and the industry **lacks a standardised qualification scheme**.
Findings at a Glance

Part 2: Training Landscape and Demand (Cont.)

81% of respondents think that the industry demand for training will grow in the future, similar to that of last year.

Most respondents received external training in Risk & Compliance (58%), AML/CFT (49%), and FinTech & Cybersecurity (28%) in the past 12 months.

By comparison, Risk & Compliance topped the external training list (67%), followed by Role specific subjects (50%) and Fintech & Cybersecurity (22%) in last year’s survey.
Diving into the Numbers
Part 1a
Banking Industry Outlook:
General Overview
75% see banking as a profession

To what extent do you agree that banking is a profession in Hong Kong? （要求專業資格的行業）

% of Strongly agree/ Agree 75 (66)

- Strongly agree 32 (25)
- Agree 43 (41)
- Neutral 17 (20)
- Disagree/ Strongly disagree 8 (14)

Figures in () denote results in 2016
Nearly 80% are likely to remain in the industry

How likely are you to remain in the banking industry for the next 5 years?

% of Very likely / Somewhat likely

Very Likely

Somewhat likely

Neutral

Somewhat unlikely/Not likely at all

Figures in () denote results in 2016
Reasons to stay

How likely are you to remain in the banking industry for the next 5 years?

Nearly 80% are likely to remain in the industry

Top 3 Reasons for staying

- **Compensation**: 58% (63%)
- **Career Advancement**: 54% (60%)
- **Job Satisfaction**: 47% (45%)

*Figures in () denote results in 2016*
Almost 60% of respondents consider that the Banking industry is appealing to young talent, similar with last year.

67% of those aged 18-34 agree, an 16 percentage point increase from last year.

Figures in () denote results in 2016.
Risk & compliance remains the most attractive department

Which department do you consider the most attractive for developing a career in bank?

<table>
<thead>
<tr>
<th>Department</th>
<th>Preference Level</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk &amp; Compliance</td>
<td>40% (34%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wealth Management</td>
<td>12% (17%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate/Commercial Banking</td>
<td>11% (13%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Banking</td>
<td>9% (12%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance and Treasury</td>
<td>8% (10%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Top 3 Reasons of Attractiveness

- Career Advancement: 64% (73%)
- Compensation: 56% (54%)
- Industry Outlook: 55% (67%)

Figures in () denote results in 2016.
Diving into the Numbers
Part 1b
Banking Industry Outlook:  
*Emergence of FinTech*
Majority view FinTech more of an opportunity

Is FinTech an opportunity or threat to the industry?

More of an Opportunity

View as an Opportunity

Board Director/ Senior management 64%

Neutral

View as a Threat

Customer facing employees 24%

More of a Threat

Banking Officer 22%

Difficult to tell 22%

Banking Officer

Customer facing employees

Board Director/ Senior management
Over 40% believe FinTech/automation will replace human roles

Do you agree that FinTech/automation will replace human roles in the next decade?

% of Strongly agree/Agree: 44%
- Strongly agree: 10%
- Agree: 34%
- Neutral: 30%
- Disagree/Strongly disagree: 26%

More agreed within (%):
- Aged 18-34: 56%
- Banking officer: 54%
- With less than 10 years of experiences: 53%

More neutral/disagreed (%):
- Board Director/Senior management: 72%
- With 20 years or more experiences: 63%
Have you received training on FinTech in the past 12 months? Do you see FinTech as an opportunity or threat?

**Received Training on FinTech in Past 12 Months**

- **Yes**
  - More of an Opportunity: 73%
  - Neutral: 15%
  - More of a Threat: 4%
  - Not sure: 8%
- **No**
  - 49%
  - 18%
  - 9%
  - Not sure: 24%

*Figures in () denote results in 2016*
Diving into the Numbers
Part 2

Training Landscape & Demand
Nearly 90% think professional training helps strengthen market trust

Does professional training help strengthen market trust?

% of Strongly agree/ Agree

Strongly agree: 35 (40)
Agree: 53 (48)
Neutral: 11 (10)
Disagree/ Strongly disagree: 2 (2)

Figures in () denote results in 2016
94% find it **difficult** to evaluate a professional qualification.

What is your main challenge in evaluating a particular professional qualification?

- **94%** of the respondents have difficulty when evaluating a qualification.
- **39%**: Too many qualifications in the market.
- **35%**: Lack of a standardised qualification scheme (缺乏統一資歷基準).
- **10%**: Difficult to link up with my former training/education.
- **8%**: Lack of confidence in awarding bodies.
Almost 80% believe a **common benchmark** raises professional status

Do you agree that a common qualification benchmark (通用資歷基準) helps to raise practitioners’ professional status?

<table>
<thead>
<tr>
<th>% of Strongly agree/ Agree</th>
<th>79</th>
<th>(78)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>29</td>
<td>(27)</td>
</tr>
<tr>
<td>Agree</td>
<td>50</td>
<td>(51)</td>
</tr>
<tr>
<td>Neutral</td>
<td>18</td>
<td>(19)</td>
</tr>
<tr>
<td>Disagree/ Strongly disagree</td>
<td>3</td>
<td>(4)</td>
</tr>
</tbody>
</table>

*Figures in () denote results in 2016*
84% of respondents say the need to streamline the professional training path is necessary.

Do you agree there is a need to streamline the professional training path for employees?

% of Strongly agree/ Agree: 84

- Strongly agree: 28
- Agree: 56
- Neutral: 13
- Disagree/ Strongly disagree: 3

Figures in () denote results in 2016
What factors would you consider important when deciding to take a training course?

### Selection factors (Employees)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Importance Level</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance to your job</td>
<td>70% (81%)</td>
<td></td>
</tr>
<tr>
<td>Impact on career advancement</td>
<td>49% (54%)</td>
<td></td>
</tr>
<tr>
<td>Regulatory requirements</td>
<td>37% (46%)</td>
<td></td>
</tr>
<tr>
<td>Fee</td>
<td>↑ 28% (24%)</td>
<td></td>
</tr>
<tr>
<td>Supervisors’/Colleague’s Recommendation of trainers</td>
<td>↑ 27% (17%)</td>
<td></td>
</tr>
<tr>
<td>Reputation of training provider</td>
<td>23% (28%)</td>
<td></td>
</tr>
</tbody>
</table>

*Figures in () denote results in 2016*
Nearly 60% receive training in Risk and Compliance

**Risk & Compliance** tops the external training list

<table>
<thead>
<tr>
<th>Top 3 external training subjects engaged</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk &amp; Compliance</td>
<td>58% (67%)</td>
<td></td>
</tr>
<tr>
<td>AML/ CFT</td>
<td>49% (N/A)</td>
<td></td>
</tr>
<tr>
<td>FinTech and Cyber Security</td>
<td>28% (22%)</td>
<td></td>
</tr>
</tbody>
</table>

*Figures in () denote results in 2016*
80% think demand for training is on the rise

Is the Industry demand for training likely to grow?

% of Very likely/ Somewhat likely

81% (82)

Very likely
34% (37)

Somewhat likely
48% (45)

Neutral
17% (15)

Somewhat unlikely/ Not likely at all
2% (3)

Figures in () denote results in 2016
Which of the following do you think banks & financial institutions should focus on as far as training resources allocation is concerned?

<table>
<thead>
<tr>
<th>Category</th>
<th>Primary focus</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk &amp; Compliance</td>
<td></td>
<td>46</td>
</tr>
<tr>
<td>FinTech &amp; Cyber Security</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>Wealth Management</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Corporate/ Commercial Banking</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Credit Management</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Retail Banking</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>RMB &amp; China Initiatives</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Treasury</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>
Key areas of action

- Provide more training on FinTech & cyber security
- Engage young talent
- Streamline professional training path
- Develop new skills for future opportunities
- Promote common qualification benchmark
About the survey
Commissioned by the Hong Kong Institute of Bankers (HKIB), the HKIB’s Talent Development Survey was an online questionnaire conducted between May and July 2017 by Cimigo and Paradigm Consulting. Findings of this talent development survey will be used by HKIB as a reference point when shaping the future of training and development for the banking sector.