

Talent Market Snapshot

BFSI Industry – Malaysia

Banking, Financial Services & Insurance Industry



ManpowerGroup

Key Areas of Consideration

- With increased adoption of digital banking in Malaysia, from 449 million transactions in 2016, to 1.16 billion transactions in 2020 ¹, skills development are crucial in areas of management, information technology and underwriting.
- Increased importance on the human side of transformation and attracting individuals who can connect the dots between technology and business.
- Removal of restrictions on outsourcing to enable companies further develop their core competencies and effective business strategies.



Labour Market Impact

Throughout the 2020, Malaysia's labour market experienced uneven momentum following the health crisis. Businesses related to industries such as Arts, Entertainment and Recreation, & Real Estate, & Mining and Quarrying were showing a decline in labour force of -26%, -11% and -10% respectively.

Some sectors however experienced growth. The Financial and Insurance sector grew by 11% in 2020, which was the highest growth among other industries.

By economic activity, Services sector is the largest contributor to Malaysia's economy constituted 51.8% of total jobs in the Q1 of 2021. Jobs in Finance, insurance, real estate and business services constituted 10.8% of the Services sector.

Malaysian workforce experienced a significant decline in average wages of about 11%. However the most impacted age groups were 20-24, 25-29 and 60-64 with a drop in average monthly salaries of -15%, -14% & -19% respectively ².



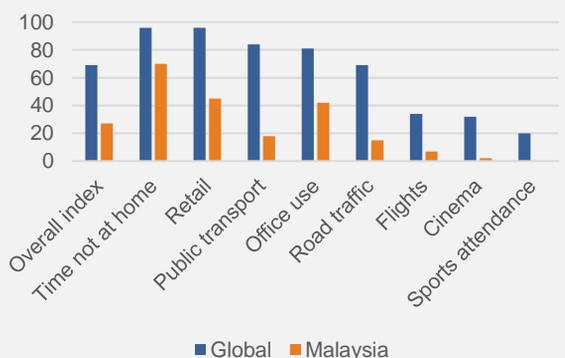
Bumpy Road of Recovery

Many have pondered when the world will return to "normal" since the coronavirus pandemic began. But it's uncertain whether things will ever return to the way they were: remote working, for example, appears to be here to stay, and going to the movies may never be as popular as it once was.

The Economist has created a "normalcy index" to assess how people's behavior has changed and is changing as a result of the pandemic.

Interestingly, from the 50 countries assessed, Malaysia is the furthest country from pre-pandemic levels of activity. (*The index sets a score of 100 as pre-pandemic levels of activity*).

The Economist Normalcy Index July 2021



To look on the upside though, this means that there is ample room for the economy to recover. Perhaps not to pre-pandemic levels but at least to be in line with the global average ².

1. <https://www.statista.com/statistics/957530/internet-banking-transactions-volume-individuals-malaysia/>
2. Department of Statistics Malaysia, [Salary & Wages Report & Employed Person by Industry Report](#), 2020
3. The Economist, [The Global Normalcy Index](#), 2021

Talent Demand Update

ManpowerGroup recent Talent Shortage survey found that 69% of employers globally – a 15-year high – are reporting difficulties hiring skilled workers. Competition for talent is heating up and companies increasingly need help in finding and reskilling talent for their fast changing needs.

As tech disruption accelerates employers are looking for the right blend of technical skills and human strengths. The top global roles in demand globally are Operations & Logistics, Manufacturing & Production, Sales & Marketing, IT & Data and Administration ⁴.

In Malaysia specifically we are seeing a similar trend. We observe solid growth in demand across all positions in 2021. Although strongest growth is seen in IT and Customer Service related roles, Finance, Accounting, Audit and Tax specialists, when combined together, have consistently been among the highest roles in demand in volume ⁵.



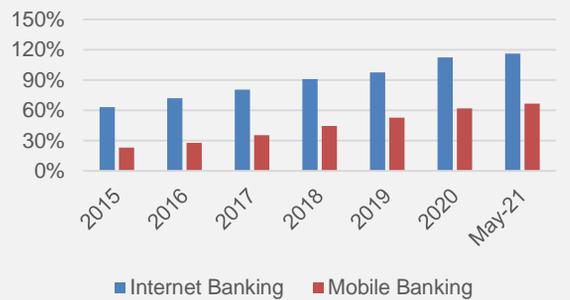
BFSI Dilemma

Arising from the pandemic, there was an accelerated shift towards online financial services. In 2020, online banking transactions grew by 49% while e-wallet transactions increased by 131% compared 2019 ⁶.

It is evident that this sector will continue to adapt to digital disruption. Customer retention is more and more dependent on Cyber and IT risk management that financial institutions can provide.

With that, paradoxically, there is increased need for human side of transformation and talent that can connect the dots between tech and business.

Malaysia Digital Banking (% Penetration to Population) ⁷

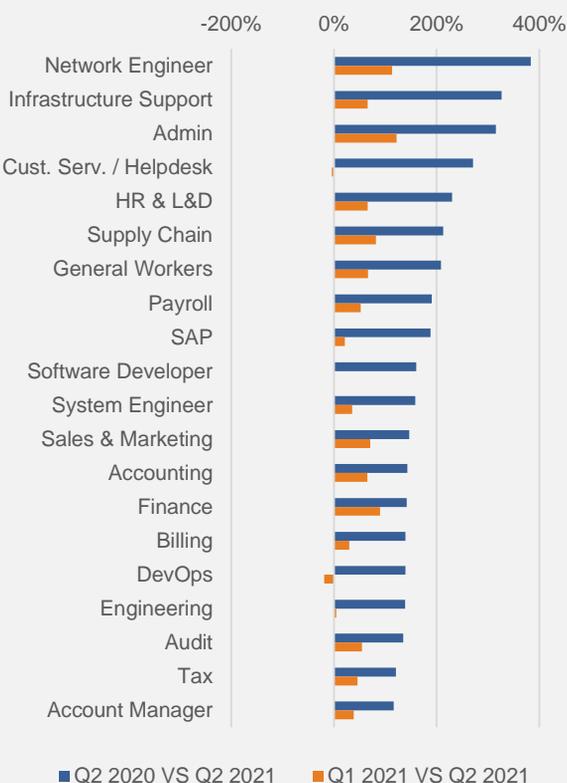


BFSI Talent Preferences

The top 3 preferences candidates in Malaysia look for when considering working in the Financial or Banking industries are Salary, Career Development and Work-life balance.

Interestingly, unlike average Malaysian candidates, in the Banking & Financial Services sector Career Growth takes the second spot as the most important factor rather than Work Life Balance ⁸.

Changes in Online Job Postings in Malaysia



Malaysian Candidates Preferences in BFSI Industry



4. ManpowerGroup, [Talent Shortage Survey](#), 2021
 5. ManpowerGroup Malaysia Market Pulse, Monthly Survey of Job Portals (Indeed, Jobstreet, Jora, LinkedIn & Monster), 2020 - 2021
 6. Bank Negara Malaysia, [Promoting Safe and Efficient Payment and Remittance Systems](#), 2020
 7. Bank Negara Malaysia, [Internet Banking and Mobile Banking Subscribers](#), 2021
 8. Jobstreet, [Report of Malaysian Candidate Preferences in the Banking & Financial Services Industry](#), 2020

Questions to help your company align BFSI talent strategies to business goals:



BFSI Talent Strategy

- Do you have a talent strategy for your BFSI Institution?
- Is it agile to shift and change with market and business dynamics?
- Does it understand and plan for future demand?
- How to upskill your team members to meet the changing demands of your clients in a contactless environment?



Existing Resources

- Do you know who ALL of your workforce is (FTE, Contingent, Freelance, Outsourced)?
- Do you understand the effectiveness of your resourcing models and the modification levers?
- Do you know your talent core and non-core skillsets?



Talent Mix

- What positions are best filled by perm employees VS contingent workers?
- How do you decide whether to hire full-time, contract talent or outsource for near and long-term needs?
- How to evaluate costs and benefits of virtual or alternative workforce solutions?



Internal Collaboration

- Are your talent/HR and sourcing/procurement departments aligned with strategies and collaboration for best business results?
- Does the business include this collaboration in their planning and strategy for more effective results to demand?
- Does Exec leadership understand the value of this alignment and how best to utilize for business outcomes?



Workforce Productivity

- What incentives and reward mechanisms can be deployed to improve workforce output?
- How can you streamline processes for better efficiency?
- What KPIs are actually important to be measured?
- What work models are most efficient in driving output?