

تمكين  
Tamkeen

# FINANCIAL SERVICES

SECTOR SKILLS HIGHLIGHTS

مهارات البحرين  
Skills Bahrain

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## INTRODUCTION

# The World Economic Forum estimated in their 2020 Future of Jobs report that 50% of employees will need reskilling by 2025, with 40% of these needing urgent reskilling

The Financial Services sector is amidst rapid change driven by factors such as advances in technology, globalisation and competition. Employers are facing increased competition from outside the traditional sector and change in the digital behaviours of consumers, which has been exacerbated by the pandemic. This has seen job roles in the sector changing, with some jobs converging or disappearing and new ones being created, with some international reports suggesting that up to half those currently working within the sector will be significantly impacted either by job loss or the need to reskill.



## DRIVERS OF CHANGE FOR FINANCIAL SERVICES

- ▶ Changing consumer habits and expectations – increased demand for online services and payments
- ▶ Emergence of new competition and business models – traditional Financial Service Institutions have to keep up with customer demands and increasing competition from FinTech, some of whom are outside the sector
- ▶ Open banking and changing boundaries of sectors – CBB's progressive regulations leading to a rise in Third Party Providers and use of API integration which utilise open banking to offer new products and services
- ▶ Digitalisation for efficiency – Financial Service institutions are rapidly replacing their legacy systems with systems that increase automation and support Artificial Intelligence
- ▶ Digitalisation for new products and services – Using data insights to tailor new products, services and customer experiences
- ▶ Environment, sustainability and governance (ESG) – New considerations brought about by climate change are impacting risk assessment and investment portfolios, they also impact reporting guidelines and international compliance requirements



### Line Manager

Some processes have changed with COVID. Long processes became much shorter now. Approvals can be received very quickly. COVID also created opportunities.



## Average Monthly Wage



Source: Bahrain Labour Market Regulatory Authority Monthly Data

### “ The sector enjoys high wages, compared to other sectors in Bahrain

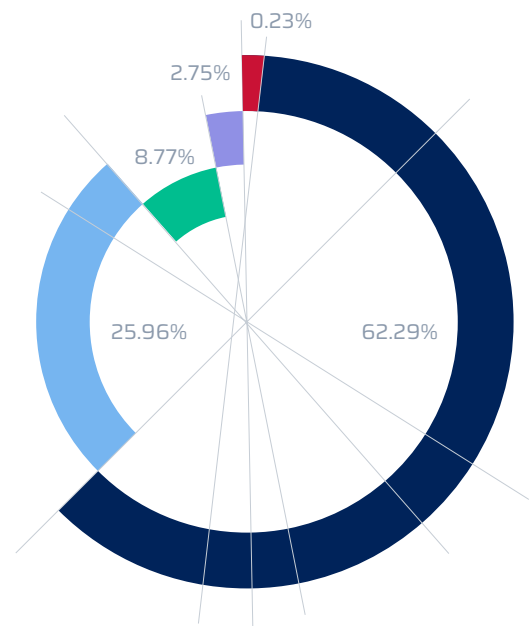
There are currently 13,737 people working in the sector.

The Bahrainisation rate across the whole sector is 61.3% with the highest Bahraini employment in Islamic banking and the lowest in Special Licenses such as money changers.

The research included interviews, surveys, focus groups and extensive desk research. The response rates to the survey represented nearly 40% of all employees in the sector bringing a high level of confidence to the findings.

Of those who responded to the survey 38% were women, Analysis showed that the number of Bahraini women in the sector decreases after 15 years in service where the numbers of women reduce to 27% for over 20 years' service.

### Formal education levels in the sector



#### What is your highest level of formal education?

- Bachelor Degree
- Master Degree
- Diploma or Highr Diploma Degree
- High School Only
- PhD Degree



# FACTS

**68%**

Of the large majority of Bachelor Degree holders in the sector studied Business Administration, including Banking and Finance

**14%**

of those working in the sector have a degree in ICT

**60%**

entered the sector directly from higher education

**40%**

entered the sector previously worked in retail, ICT or Telecommunications sectors

## The majority

of the sector who held a Bachelor degree graduated from an Overseas institution with UoB being the second most popular university of graduation

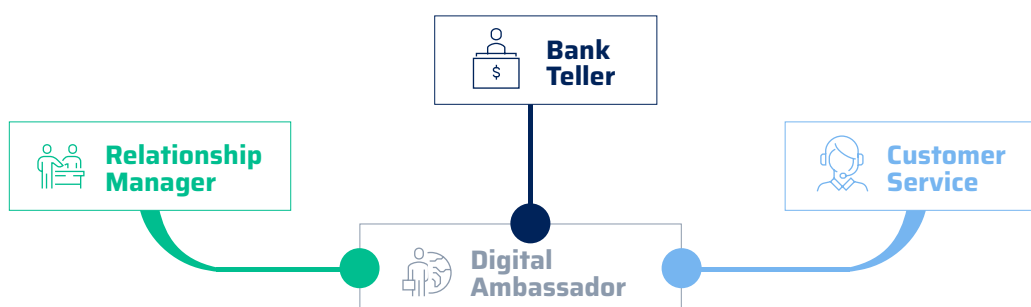


International research anticipates between 30% - 80% of the jobs in the sector will change or disappear over the next five years.

Approximately 40% of the Bahrain Financial Services sector works in the Customer Services, Sales or Relationship Management roles which are at high risk of declining demand and changing skill requirements.

### Key themes of changes to occupations in the sector:

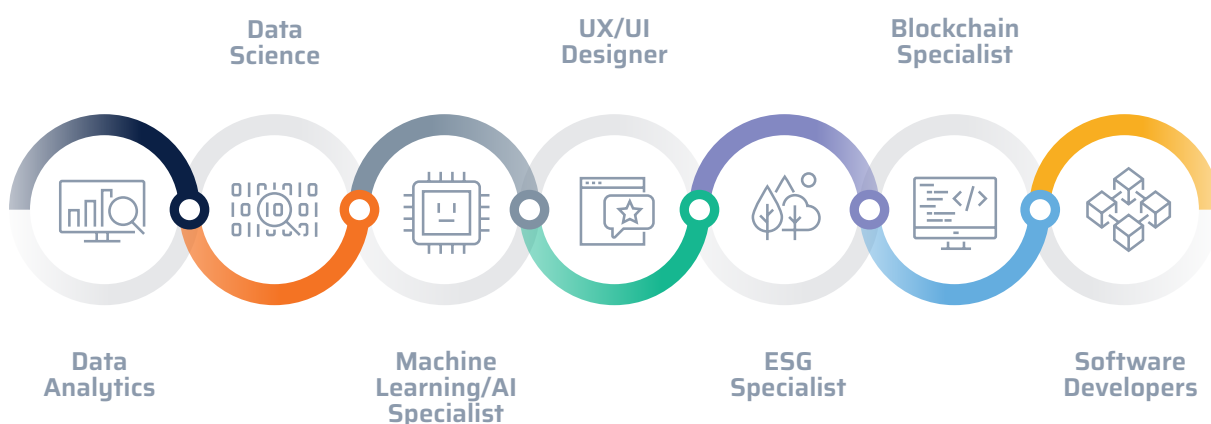
- Convergence of jobs as automation streamlines processes, especially in **customer service and sales** as skills change manual compliance to personal services and tailored products
- Higher demand for **data analytics** as a core skill across all job areas, but also the product and commercial understanding to apply the data insights
- Alternative business models incorporating **API integration, Third Party Providers or in house innovation**
- Jobs are moving from processes driven manual compliance work to digital enhanced automation leaving those working in the sector needing to have a higher level of **critical thinking/ problem solving skills, interpersonal skills and active learning skills**

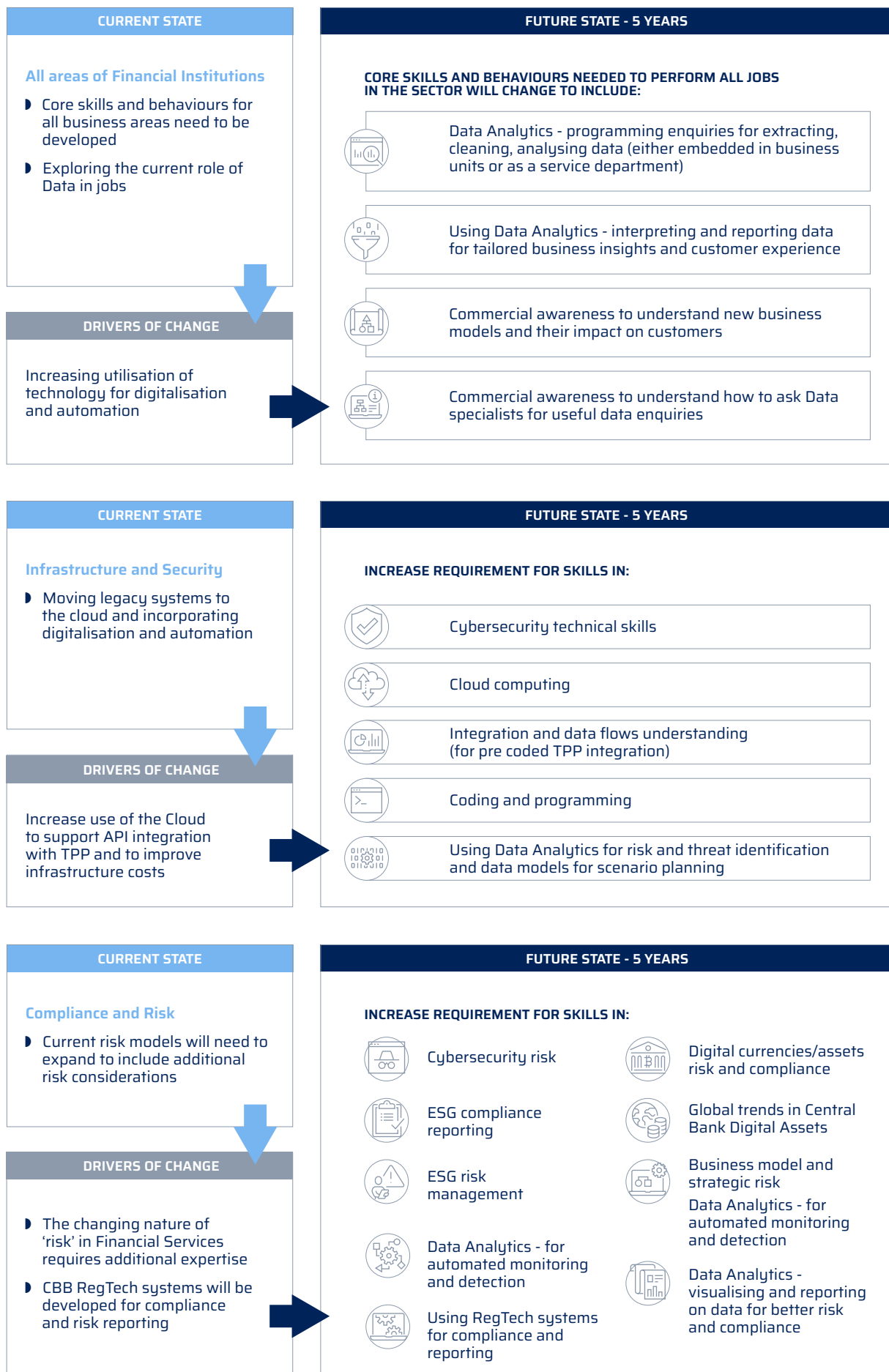


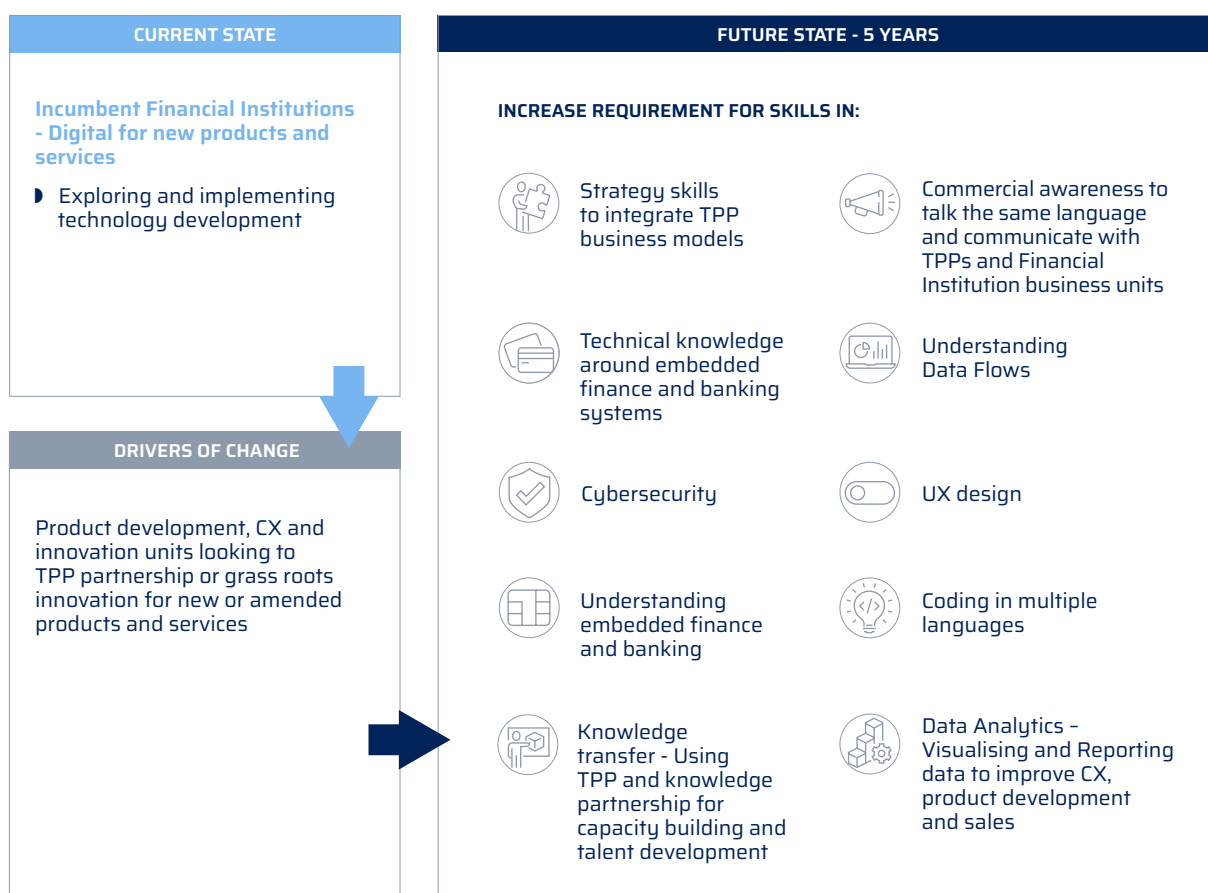
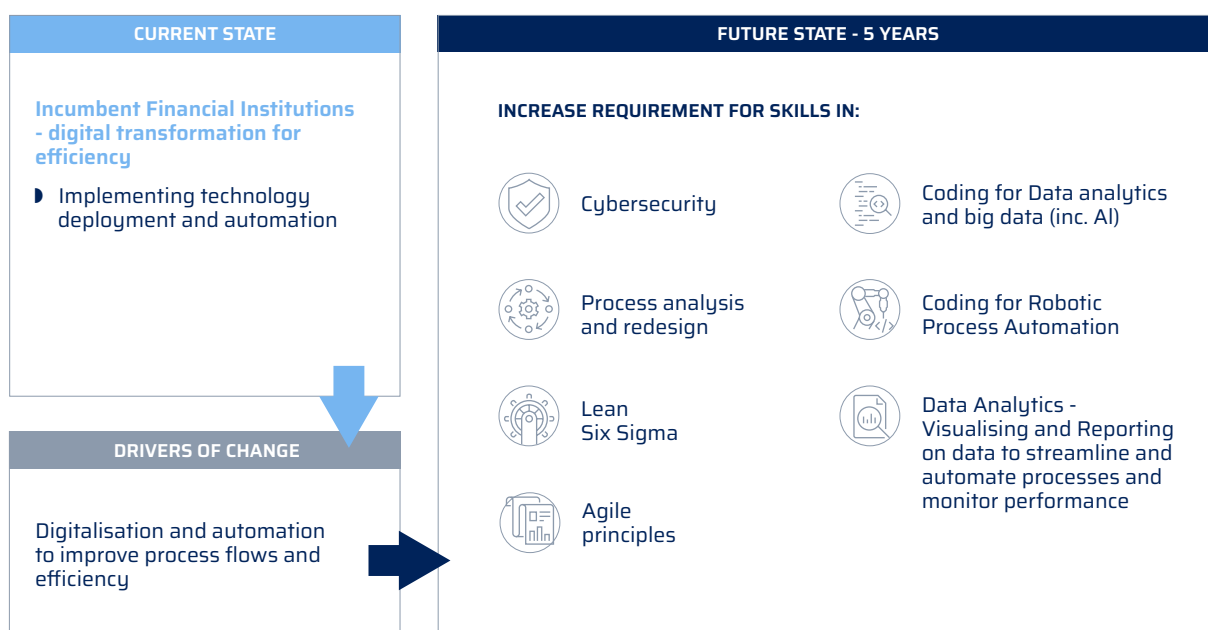
Example of convergence of roles to a new integrated higher skilled 'Digital Ambassador' (Reference: EY, 2020)

## Bahrain Financial Services sector has a high demand for Cybersecurity jobs as a critical emerging occupation

Emerging jobs in the sector that are anticipated to be in high demand in the future include:









## SKILLS IN THE SECTOR

### SKILLS NEED DEVELOPING



### THE NEXT 5 YEARS SKILLS





# FACTS

## Line Managers Survey

**25%**

mentioned that attracting and retaining the right talent with the right skills is hindering business growth

**43%**

stated that their employees use data analytics in their jobs

**37%**

reported that their employees do not demonstrate an understanding of the role of emerging technology in the sector

**37%**

revealed that their employees do not display commercial acumen

**63%**

expressed that their employees look for ways of creating better efficiencies as part of their role and demonstrate a 'process mindset'

**67%**

mentioned that their employees analyse well and apply analysis to the job

**80%**

stated that their employees work well as a team

**84%**

confirmed that their employees demonstrate integrity and ethics in their job

**70%**

communicated that their employees demonstrate resilience



## Line Manager

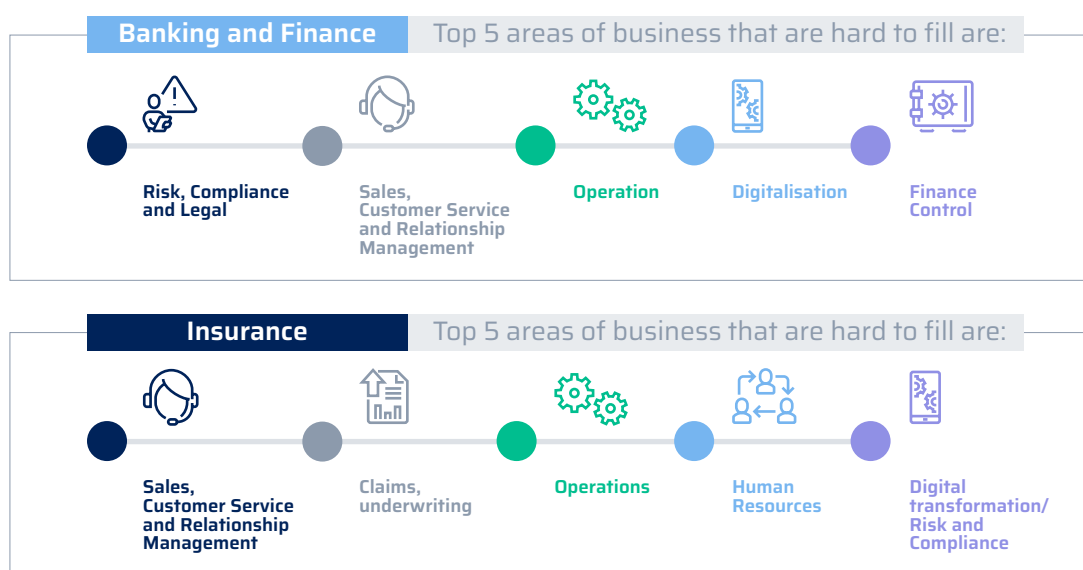
There is a major deconstructing of banking driven by technology; technology companies are going into the last frontier of a regulated industry. With that you face a lot of challenges in terms of the skills set.

**Core skills and behaviours were missing among employees, especially recent graduates. Research shows that core skills are the foundation that allows technical skills to be well applied**



## Data Scientist

If someone doesn't have critical thinking then teaching them data analytics won't help.



HR Managers' percentage responses to the hard to fill vacancies in the sector (out of a selection of 3)



Analysis of training data in the sector indicates there is significant investment in leadership and soft skill training over technical training.

Much of the leadership and soft skill training is designed to address core skill and behaviour gaps.

There has been numerous challenges in quantifying an inability to demonstrate impact or return on investment for the majority of training.

A high number of courses, including in company training, has not been subject to quality assurance or learner assessment.

Training is seldom based on industry standards, with the exception of Professional Certificates.

**39%** of Line Managers, 30% of HR Managers and 29% of Employees had engaged in online nano learning

**58%** of HR said that this type of nano learning was not recognised as part of formal learning and development or

performance systems

**Majority** of those who completed nano learning felt it was an effective way to learn

**75%** said they have applied the nano learning outcomes to their job, the areas of learning were focused on emerging technologies such as data analytics, blockchain and FinTech

**Employees stated their preferred method of training is 'on the job guidance and training such as mentoring', meaning employees prefer more job-related training**

### Training and Skills Mismatch for the Future

The analysis of learning and development in the sector indicates a mismatch between the type of training that is funded and the future needs of the sector

There is also a mismatch with the tendency for training to be done by a training provider as a one off event and the preference by employees for job related mentoring

The analysis also puts into question the impact of the significant spend on leadership and soft skills training and these areas are still considered skills gap



## Is the Sector Ready to Bridge the Skill Gap?

Internationally, new ways of learning are being incorporated into traditional performance management and learning systems, this requires HR expertise that is currently lacking in the sector

**‘Learning in the flow of work’** is a new ideology that believes learning should be part of a broader work based learning journey that is directly aligned to business outcomes

As a foundation to building effective learning journeys the sector agreed core and technical standards should form the foundation of all learning and development & assessment in the sector. This includes levy funded learning and development

With **60%** of those entering the sector coming directly from Higher Education, there is more that could be done to address the sector’s core skills and behaviours into Higher Education programmes

**22%** of organisations in the Financial Services sector have an in house Learning & Development professional

**46%** of employees stated that their organisations had a Learning Management System (LMS)

## Effective Skills Development

- Requires Line Managers to apply coaching and mentoring techniques to support employees and know what to look for as evidence of skill attainment in the workplace
- Demands talent strategy to be aligned to business strategy
- Occurs in the workplace and aligns to actual work outputs
- Is based on sector agreed standards of what the skill means and how it is demonstrated in the workplace
- Needs regular performance check-ins, not only the annual performance appraisal





## Way Forward

The sector needs to move from a job-based approach to a skills-based approach.

Work based learning should be a learning journey based on the development of specific core and technical skills.

Training providers need to support work based learning with 'learning and assessment coaches' who go into the workplace and support the Line Managers in developing and assessing skills on the job.

Internationally, apprenticeships have been used to help align education and the skills needed in the workplace. The feasibility of Degree apprenticeship in Financial Services need to be explored for Bahrain.

- ▶ Skills Bahrain will work with the sector to develop effective work based sector wide upskilling in data analytics as a core skill, but also the necessary product and commercial skills needed to leverage data analytics knowledge
- ▶ Skills Bahrain will establish a sector wide programme to support Line Managers and HR to support skill-based development and on the job assessment of skills
- ▶ Skills Bahrain will support the sector with standards for all core and technical skills that will be used to facilitate conversation with Higher Education to better align programming with sector skill needs
- ▶ Skills Bahrain Occupational Standards outline what is required for each job in the sector including future skills

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[www.skillsbahrain.bh](http://www.skillsbahrain.bh)

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