RAPID growth in terms of size, significance and sophistication in the past decade has made the Malaysian capital market today an important source of funding for both domestic and international firms. With a growing international reputation, the Malaysian capital market has been able to attract foreign investment banks, fund managers and brokers to set up operations in the country.

As the number of capital market intermediaries rises in tandem with the fast-paced development of the industry, a robust demand for experienced and fresh talents to fill the various roles offered by industry players is seen.

The Securities Industry Development Corp (SIDC), in carrying out its mandate as the training and development arm of the Securities Commission Malaysia (SC), recognises that a deep talent pool to support the expansion of the market into value-added and innovative areas can be better achieved via deliberate measures implemented through increased collaboration among the industry, academia and public sector.

As part of identifying such measures, the SIDC recently conducted the Capital Market Talent Requirement Survey (CMTS) where a total of 235 organisations in the industry — comprising securities and futures brokerages, investment advisory firms, fund management companies, unit trust companies and financial planners, etc — were invited to participate and share their views.

The survey was aimed at assessing the human capital resources required in the capital market industry for the next three years, from 2012 to 2014. By gaining insights into the industry’s specific human capital requirements and related resourcing issues, appropriate initiatives to grow the capital market talent pool can be developed.

The CMTS findings support the view that the capital market talent pipeline requires continuous development and expansion in order to produce qualified manpower to serve the industry as it matures and advances. Based on the responses received, it is estimated that some 14,000 new staff are required for the capital market industry between 2012 and 2014.

Notably, lack of resources or expertise was cited by survey participants as one of the main reasons for outsourcing their business activities. Within the entry-level executive group, approximately 2,800 additional talents are required during the same period. It is clear that talent training and development has a crucial role to play in enabling the uninterrupted growth of the capital market industry.

To address the thriving demand for trained entry-level capital market employees, one of the latest capacity building talent development initiatives by the SIDC is its collaborative effort with Universiti Teknologi MARA (UiTM). A Memorandum of Understanding (MoU) between the two institutions was signed on March 26, 2012, paving the way for UiTM students to gain invaluable capital market knowledge and industry-relevant skills via fit-for-purpose educational programmes that enhance their marketability as new entrants to the industry. The SIDC’s support will also extend to the lecturers and students through career opportunity awareness initiatives, industry talks, industrial visits, licensing examinations and others.

This MoU is the first major step towards the establishment of more links between the industry and academia to meet the talent requirements of the capital market, by spreading awareness of career opportunities and equipping graduates with the professional skills required by the industry. More of such collaborations between the SIDC and other institutions of higher learning that fulfill the pre-requisites can be expected in the future.

Other SIDC-led graduate talent development programmes that have yielded good results are the Graduate Development Programme (GDP) and the Islamic Capital Market Graduate Training Scheme (ICMCTS), two initiatives under the SC Executive Enhancement and Development (SEED) programme launched in 2009 to enhance the employability and career mobility of graduates in the capital market through industry-relevant training and job attachment.

The GDP, which ended in August 2011, is a success story with 187 participants trained to meet industry requirements. The ongoing ICMCTS, too, has met positive results, with 201 participants successfully completing training as at end-2011 to become "entry-level professionals" equipped with good fundamental knowledge of the Islamic capital market.
CMTS a timely move to take stock of talent situation

Such programmes provide the crucial foundation for the development of new talents with capabilities in both the conventional and Islamic capital markets, which was revealed in the CMTS survey as being in large demand in the executive and licensed representative job groups. The survey found that approximately 2,100 such talents are required in the next three years, underlining the pressing need to invest in the development of these dual capabilities in the industry via appropriate training, upskilling and continuous learning.

Realistically, demand for such competencies will accelerate with the increasing recognition of Malaysia’s Islamic financial market as one of the most vibrant and comprehensive in the world, and an important platform for raising capital and investment.

Graduates who undergo the SIDC’s graduate development programmes are also given the opportunity to take the SC’s licensing examination to further increase their employment chances in the capital market, which — according to the CMTS — requires an additional 4,900 licensed representatives in the next three years.

Survey findings also revealed that the highest demand for new staff in the capital market comes from the securities dealing segment, which is projected to need close to 5,000 new talents. This is followed by the corporate finance advisory and fund management segments, which both require around 2,500 new staff each between 2012 and 2014. Thus, the initiative not only enhances career opportunities for these individuals but also helps to fill the demand for qualified talents in the industry.

Today’s capital market employees can no longer merely focus on technical competencies at the expense of soft skills in building their careers. The findings of the CMTS attest to this by revealing that business acumen skills, interpersonal skills and leadership skills, in addition to technical skills, were commonly mentioned as critical skills required to meet organisations’ business goals in the next three years.

More importantly, by identifying communication skills and critical thinking skills as the main requisite skills lacking in fresh graduates, the CMTS findings indicate the need for graduate development programmes that employ a multi-modal approach, emphasising both technical knowledge and soft-skill acquisition to ensure well-rounded talents are produced.

The CMTS is a timely move enabling the capital market industry to take stock of its overall human capital situation. Its findings have provided an indicative guide in the short and medium term on the essential areas to focus on in shaping talent development and recruitment policymaking for the capital market industry. The survey results will
also help set the direction for the SIDC in implementing and delivering effective, value-driven training programmes as it continues its mission to develop a competent talent pool for the capital market industry. — SECURITIES INDUSTRY DEVELOPMENT CORP

Summary of survey results

- Estimated talent requirement for 2012-2014
  - 14,000 new staff

- Segments with high staff demand for 2012-2014
  - Dealing in securities
  - Fund management
  - Advising in corporate finance

- Requirement for licensed representatives
  - 4,900

- Requirement for entry-level executives
  - 2,800

- Requirement for executives with dual role capabilities
  - 2,100

- Skills gaps identified in fresh graduates
  - Communication skills
  - Critical thinking skills
  - Business acumen skills

- Critical skills required for 2012-2014
  - Business acumen skills
  - Interpersonal skills
  - Leadership skills

- Top technical skills required for 2012-2014
  - Fund Management and Investment Analysis