



Towards The Development of A Qualification Structure For The Financial Services Industry: FAA's Experience Part 2 - Keynote Session

By:

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Conference & Annual General Meeting**

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Financial Services Industry

- Critical to economy



Gross Domestic Product

- 5% in 2012



Challenges

- Skilled Talent
- Lack of Training



Global Talent Outlook in the FSI

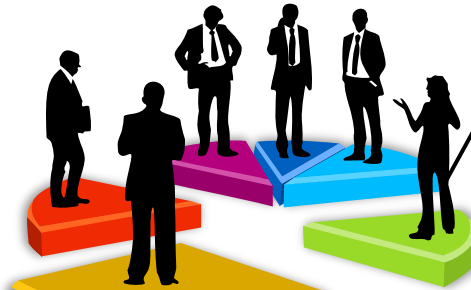
54

See the limited availability of skills as barrier to growth



58

Develop talent through programmes



78

See programmes to encourage diversity among business leaders as important in developing their executive

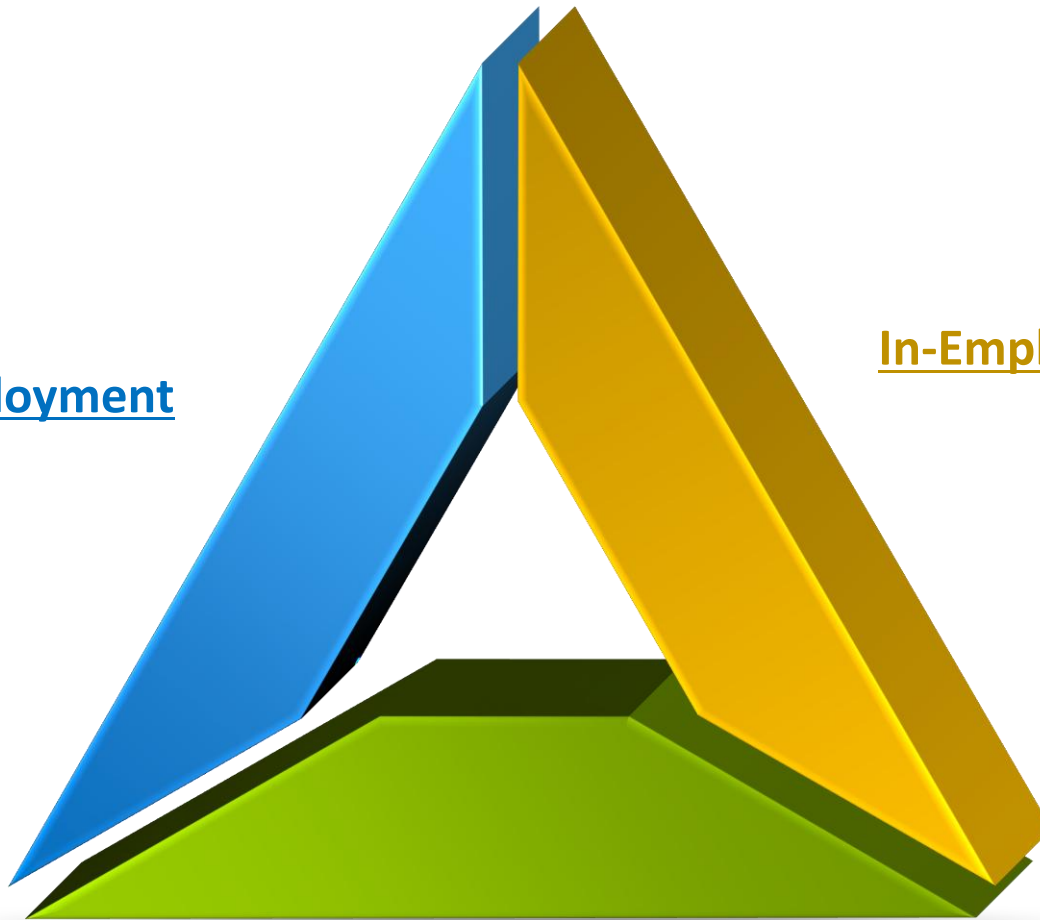


Source: The PwC, 16th Annual Global CEO Survey, 2013

Key Strategic Issues in Talent Development

Pre-
Employment

In-Employment



Quality of Training & Professional
Development Programme

Pre-Employment

- Skill gaps in fresh graduates
- Talent shortage in Finance
- Relevance of University curriculum to the dynamic, ever-changing industry



In-Employment

- Mediocre display of business skills set
- Shortage of talent in critical areas of finance
- Discrepancy in essential work experience and opportunities provided



Quality of Training & Professional Development Programmes

- Adoption of learning methods with emphasis on theory rather than practice
- Lack of certification & qualifications in crucial areas
- Absence of a globally accepted sets of competency standards as a guidepost to ensure quality learning



Global Talent Outlook in the FSI (*Cont.*)

| Industry | More difficulties in hiring | Deficit of skilled candidates | Planning changes to talent strategy |
|----------------------------|-----------------------------|-------------------------------|-------------------------------------|
| Insurance | 49% | 56% | 82% |
| Banking/ Capital Market | 41% | 46% | 74% |
| Asset Management | 30% | 39% | 73% |
| All Industries | 43% | 47% | 78% |

Source: *The PwC, 15th Annual Global CEO Survey 2012*

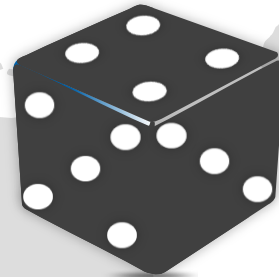
Integrated and Coordinated Approach to Global Quality Finance Talent Development



An international & independent quality assurance & accreditation body supported by the Central Bank of Malaysia & Securities Commission Malaysia

Provides high quality assurance practices and accreditation of institutions, learning programmes and individuals in the financial services industry (FSI)

Promotes the highest standards in the development of talent for the FSI.

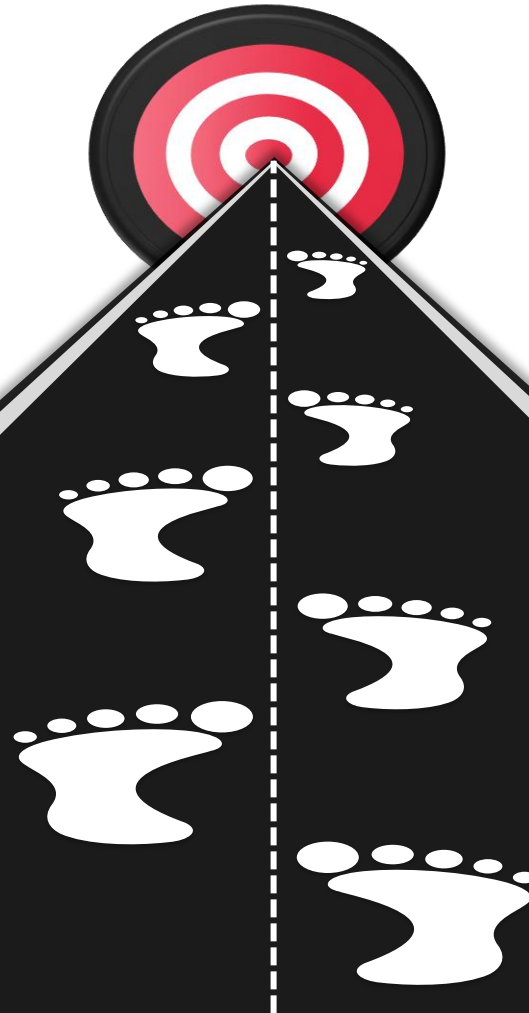


Vision

**Global leader in assuring
quality learning in the
financial services industry**

Mission

The mission of FAA is to
**inspire & promote the
highest quality in
continuing education &
professional development
for the FSI** through its
globally benchmarked
accreditation framework,
standards & practices



Provide assurance that the learning programmes in the FSI met international best practices & benchmarks

Assure that accredited programmes are relevant & required by the FSI

Provide regional & international recognition of qualifications

Provide formal recognition to the knowledge & skills base of FSI members

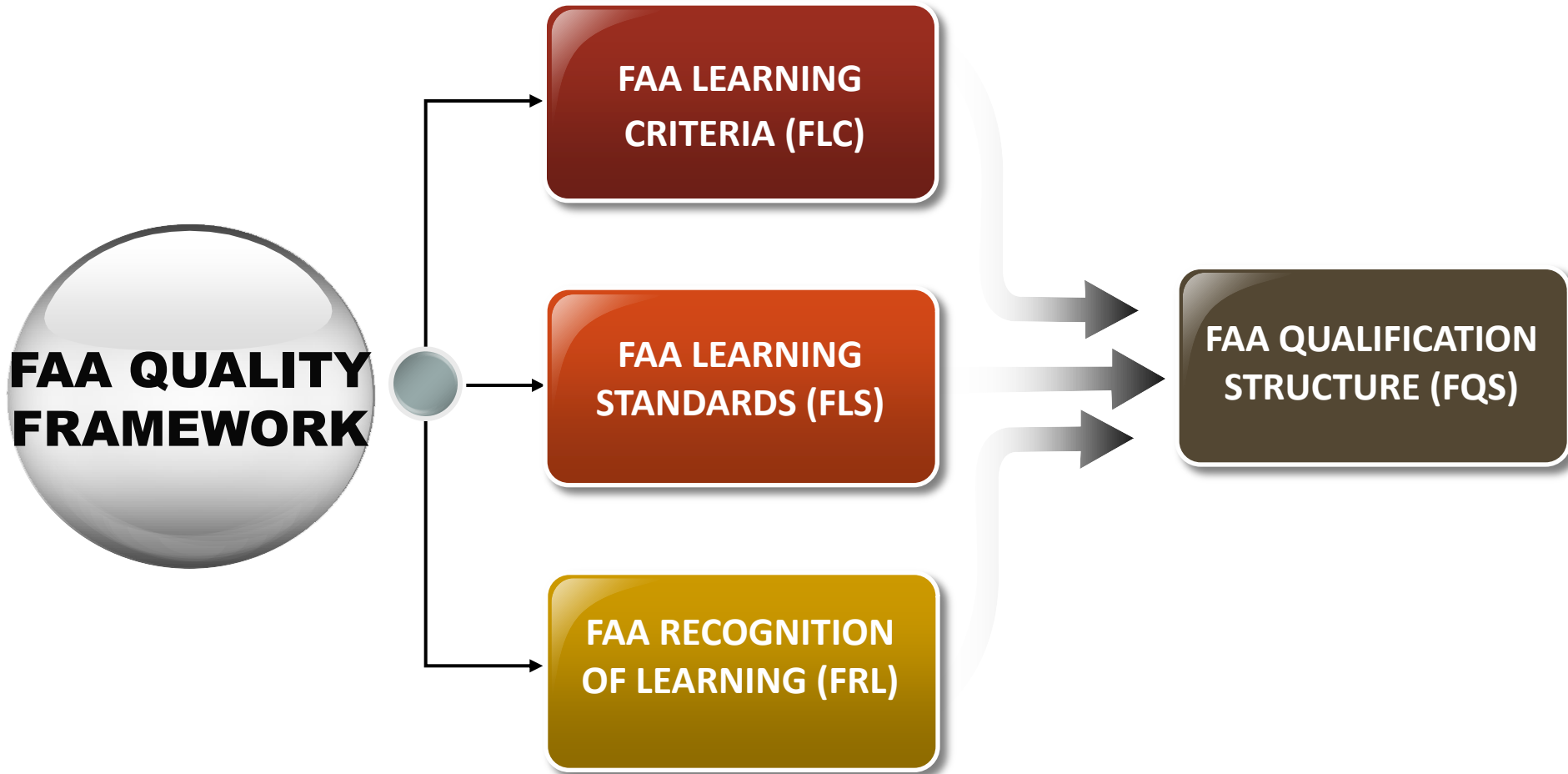


Provide recognition of prior learning

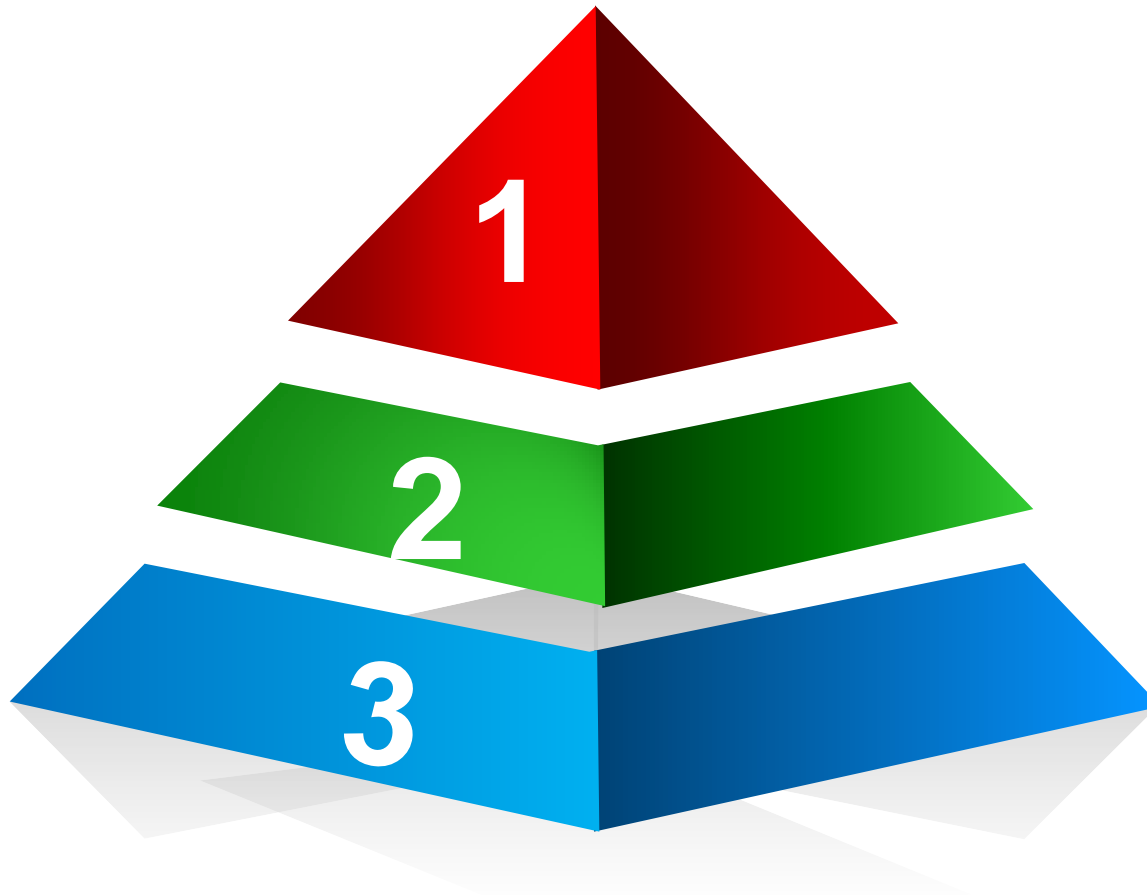
Provide a learning pathway for FSI members

Quality assure the education & training providers

FAA Qualification Structure (FQS)



Objectives of FQS



The objective of FQS is to **harmonise & integrate qualifications** in the FSI into a **single framework**.

The integration of all the professional qualifications in the FQS enables **mutual recognition** from other accrediting bodies locally and abroad.

FQS enables equivalency of the different levels of professional qualifications to be mapped against the various frameworks and industry standards for the purpose of **mobility of the FSI employees** both career wise & for seeking higher academic qualifications.

qualifications:
wise & for seeking higher academic
mobility of the FSI employees

Consists of **six qualification levels** which describe the complexity and depth of **knowledge, skills and their applications** in the progression of a job role. Alternatively, an individual can move diagonally and across the FQS levels as required by the job or learning needs. Each level will be described by the **Qualification Descriptors (QDs)** which explains the knowledge, skills and application components as well as the broad **Learning Outcomes** intended for the respective levels.



“Generic statements about the main qualifications at each level (for example, bachelor's degree with honours, master's degree), specifying what students should know, understand and/or be able to demonstrate on being awarded that qualification, and exemplifying its nature and characteristics.”

Source: QAA, UK

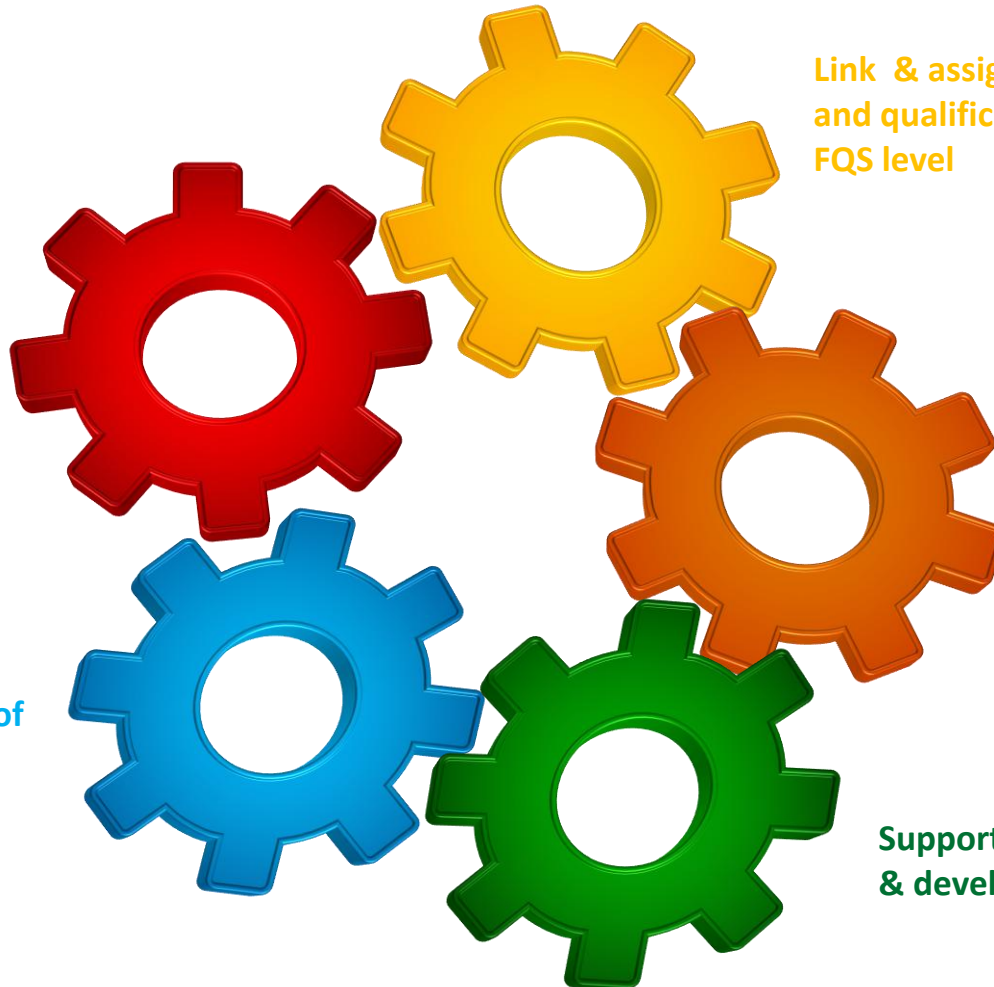
“A generic statement that explains the main learning outcomes for qualifications at a particular level.”

Source: MQA, Malaysia

The QDs will be valuable reference elements to:

Provide guidance and
reference for
individuals & FSI

Evaluate the
competency levels of
individuals through
FRL



Link & assign learning programmes
and qualifications to an appropriate
FQS level

Design & develop learning
programmes & qualifications
to an appropriate FQS level
corresponding to the FLS

Support workforce selection
& development

Definitions of ‘Learning Outcome’

“Learning outcomes are the expression of the set of knowledge, skills and the application of the knowledge and skills a person has acquired and is able to demonstrate as a result of learning.”

Source: AQF, Australia

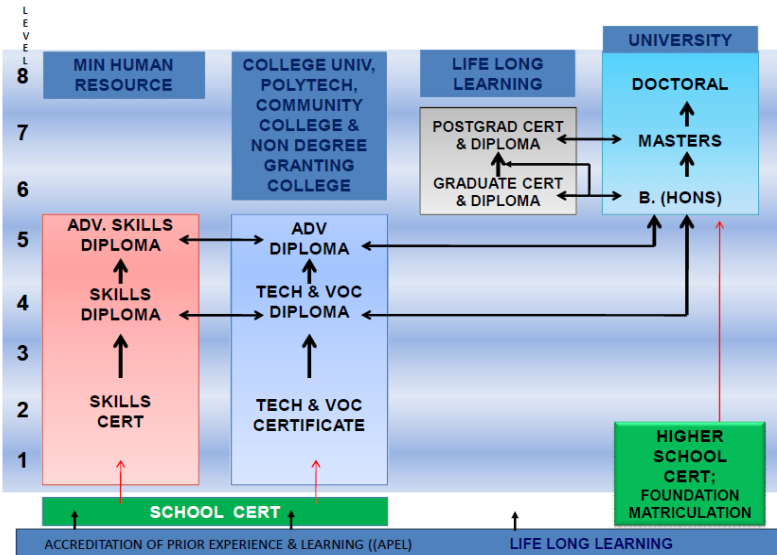
“Statements of what a learner knows, understands and is able to do on completion of a learning process, which are defined in terms of knowledge, skills and competence.”

Source: SCQF, Scotland

FAA Qualification Structure (FQS)

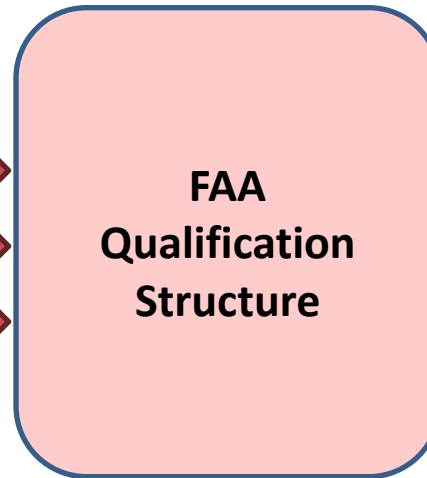
Academic Framework

Academic Qualifications



FQS

Professional Qualifications



Skill-based Framework

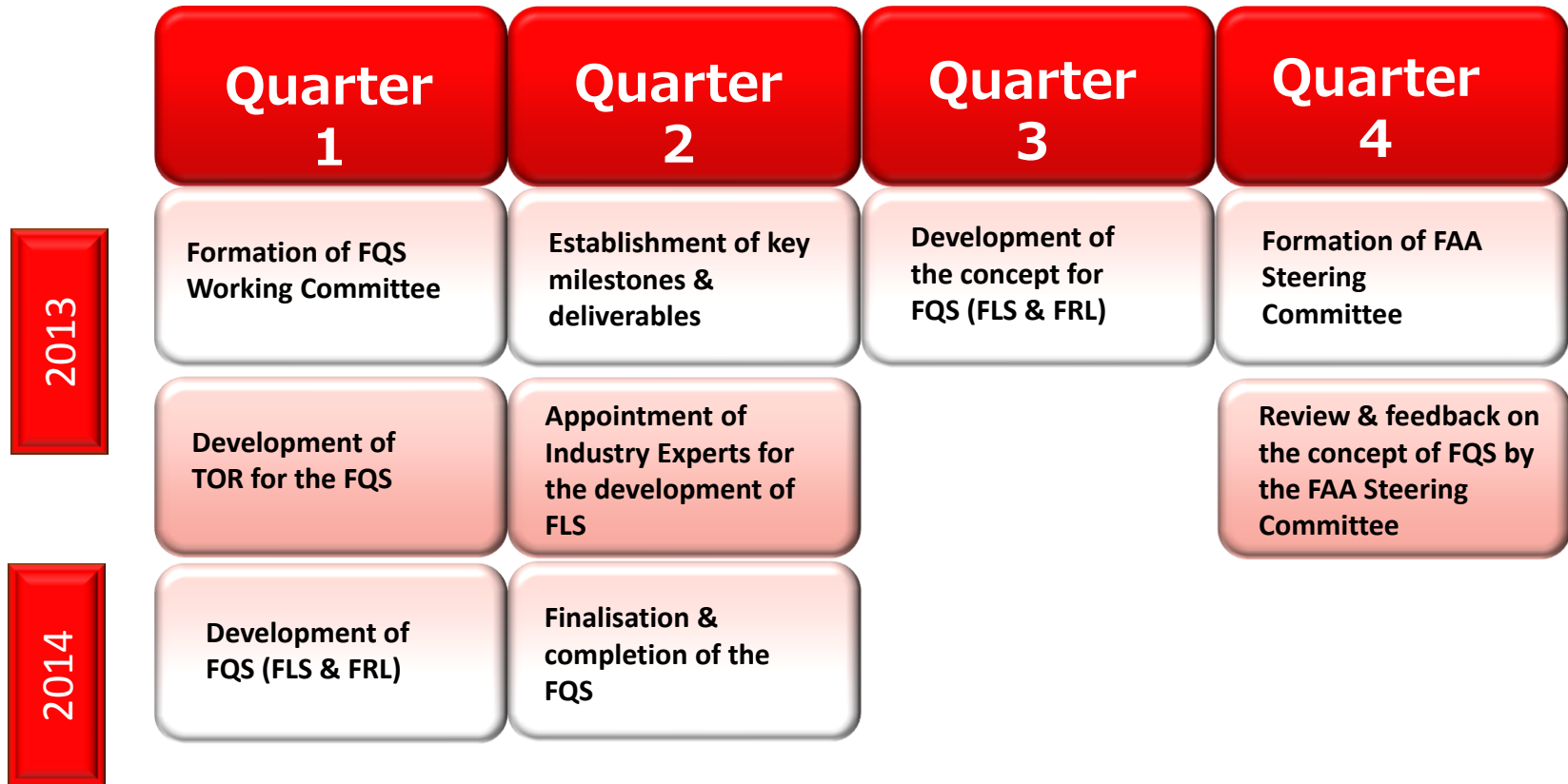
Skill-based Qualifications

| Academic Qualification | Skill Qualification |
|------------------------|---------------------|
| Postgraduate | L6-L8 |
| Degree | MSAD L5 |
| Diploma | MSD L4 |
| | MSC L3 |
| | MSC L2 |
| | MSC L1 |

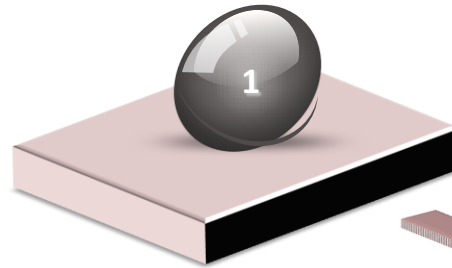
Recognition of Learning

Accreditation

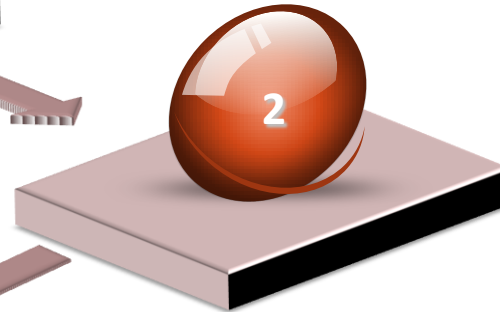
Industry Competency Framework



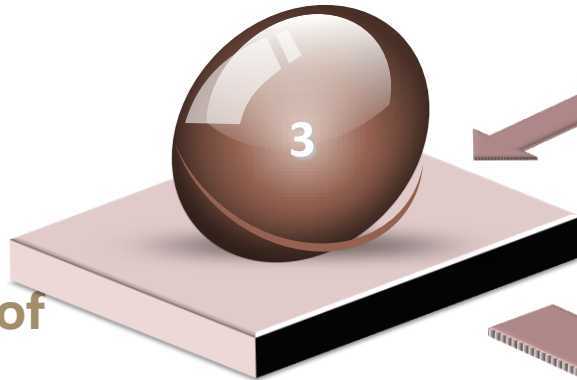
**Academic
Qualification
Frameworks**



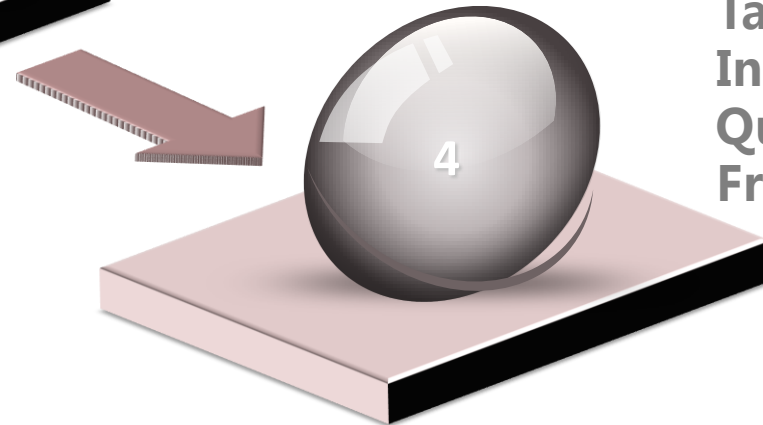
**Industry
Qualification
Frameworks**



**Tabulation of
Academic
Qualification
Frameworks**

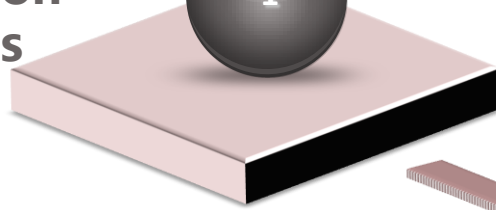


**Tabulation of
Industry
Qualification
Frameworks**

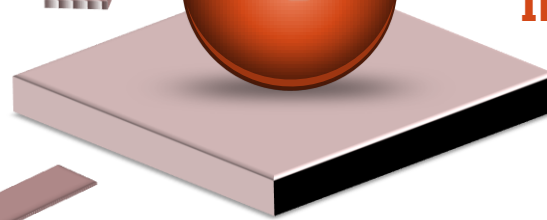


Steering Committee Membership

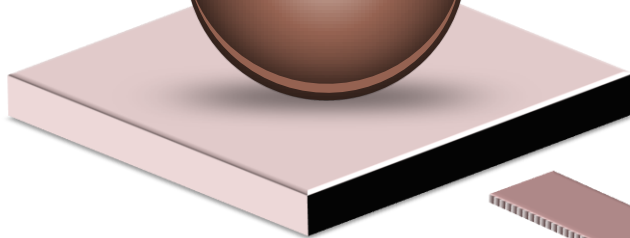
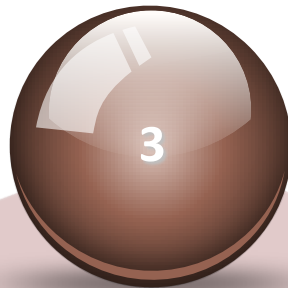
Qualification Authorities



Training Institutes

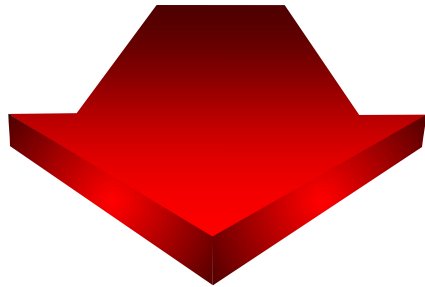


Professional bodies

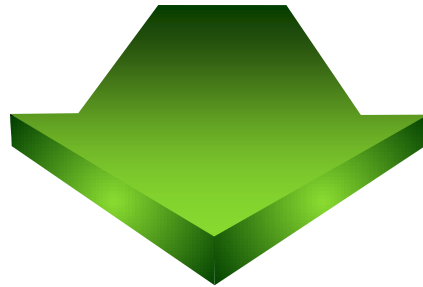


RPL Expert





FQS Levels
to be
maintained
at six (6)




Refinement of
K, S, A and QDs



Consultation
with
Industry
Focus Group



Defer but
seamless
interaction with
academic
frameworks

| Academic Frameworks | Qualifications | | | | | FQS Levels | Recognition of Learning |
|---------------------|---|----------------------|-----------|-----------------|--------|------------|-------------------------|
| | Islamic Finance | Conventional Banking | Insurance | Capital Markets | Others | | |
| 8 | | | | | | 6 | |
| 7 | | | | | | | |
| 6 | List of Qualifications According to Areas  | | | | | 5 | |
| 5 | | | | | | 4 | |
| 4 | | | | | | 3 | |
| 3 | | | | | | 2 | |
| 2 | | | | | | 1 | |
| 1 | | | | | | | |

Qualification Descriptions for FQS Level

| Level | Qualification Descriptors | | |
|-------|--|---|--|
| | <u>K</u> nowledge: | <u>S</u> kills (Cognitive): | <u>A</u> pplication: |
| 6 | <i>The information & understanding that are gained through education or experience</i> | <i>Cognitive & technical abilities and capabilities</i> | <i>The ability to use knowledge and skills in a work or professional environment/situation</i> |
| 5 | | | |
| 4 | | | |
| 3 | | | |
| 2 | | | |
| 1 | | | |

Knowledge: The information and understanding that are gained through education or experience

| Level | Descriptor | Definition |
|-------|----------------------------------|--|
| 6 | Advanced knowledge | Very knowledgeable or highly skilled in unrestricted fields. |
| 5 | Critical & specialised knowledge | Very knowledgeable or highly skilled in a restricted filed. |
| 4 | Comprehensive knowledge | Have broad and coherent knowledge in specialised activities. |
| 3 | Operational knowledge | Have knowledge relating to the overall function of the operations. |
| 2 | Practical knowledge | Have experiential knowledge based on specific daily operations. |
| 1 | Fundamental knowledge | Have basic knowledge of the theory, function or operations. |

Skills: Cognitive & technical abilities and capabilities

| Level | Descriptor | Definition |
|-------|--|--|
| 6 | Judge and predict with incomplete information | Able to form conclusions and propose solutions to problems or strategies for action with inadequate information. |
| 5 | Prioritise and justify solutions from a range of information sources | Able to recommend creative and innovative solutions based on relevant theoretical knowledge and practical experience. |
| 4 | Evaluate a range of complex situations | Able to form opinions on various problems within the area of activity based on relevant theoretical and practical experience. |
| 3 | Comprehend and apply without guidance | Able to perform clear and uncomplicated activity independently. |
| 2 | Comprehend and apply with guidance | Able to perform for clear and uncomplicated activity with minimal assistance from colleague and supervisor. |
| 1 | Basic comprehension | Able to perform undemanding activity with basic knowledge of the function and requires assistance from colleague and supervisor. |

Application: The ability to use knowledge and skills in a work or professional environment/situation

| Level | Descriptor | Definition |
|-------|--|---|
| 6 | Formulate new ideas and strategies | Able to deduce dynamic macro situations with infinite resolutions. |
| 5 | Diagnose and conclude complex issues | Able to develop and synthesise potential alternative solutions. |
| 4 | Resolve complex tasks | Able to infer a solution on different issues and difficult tasks. |
| 3 | Manage broad tasks | Able to take charge or control of own operations and activity beyond normal activities. |
| 2 | Conduct a mix of routine and non-routine tasks | Able to deal with day to day operations and activity beyond normal activities. |
| 1 | Carry out simple and routine tasks | Able to perform an undemanding activity and day to day operations. |

Proposed Qualification Descriptors

| Level | Proposed Qualification Descriptors |
|-------|--|
| 6 | “An individual having advanced knowledge and the skills in making judgements and predictions with incomplete information to formulate new ideas and strategies” |
| 5 | “An individual having critical & specialised knowledge and the skills to prioritise & justify solutions from a range of information sources to diagnose and conclude complex issues” |
| 4 | “An individual having comprehensive knowledge and the skills to evaluate a range of complex situations to resolve complex tasks” |
| 3 | “An individual having operational knowledge and comprehension whilst applying these without guidance to manage broad tasks” |
| 2 | “An individual having practical knowledge and comprehension whilst applying these with guidance to conduct a mix of routine & non-routine tasks” |
| 1 | “An individual having fundamental knowledge and basic comprehension to carry-out simple and routine tasks” |

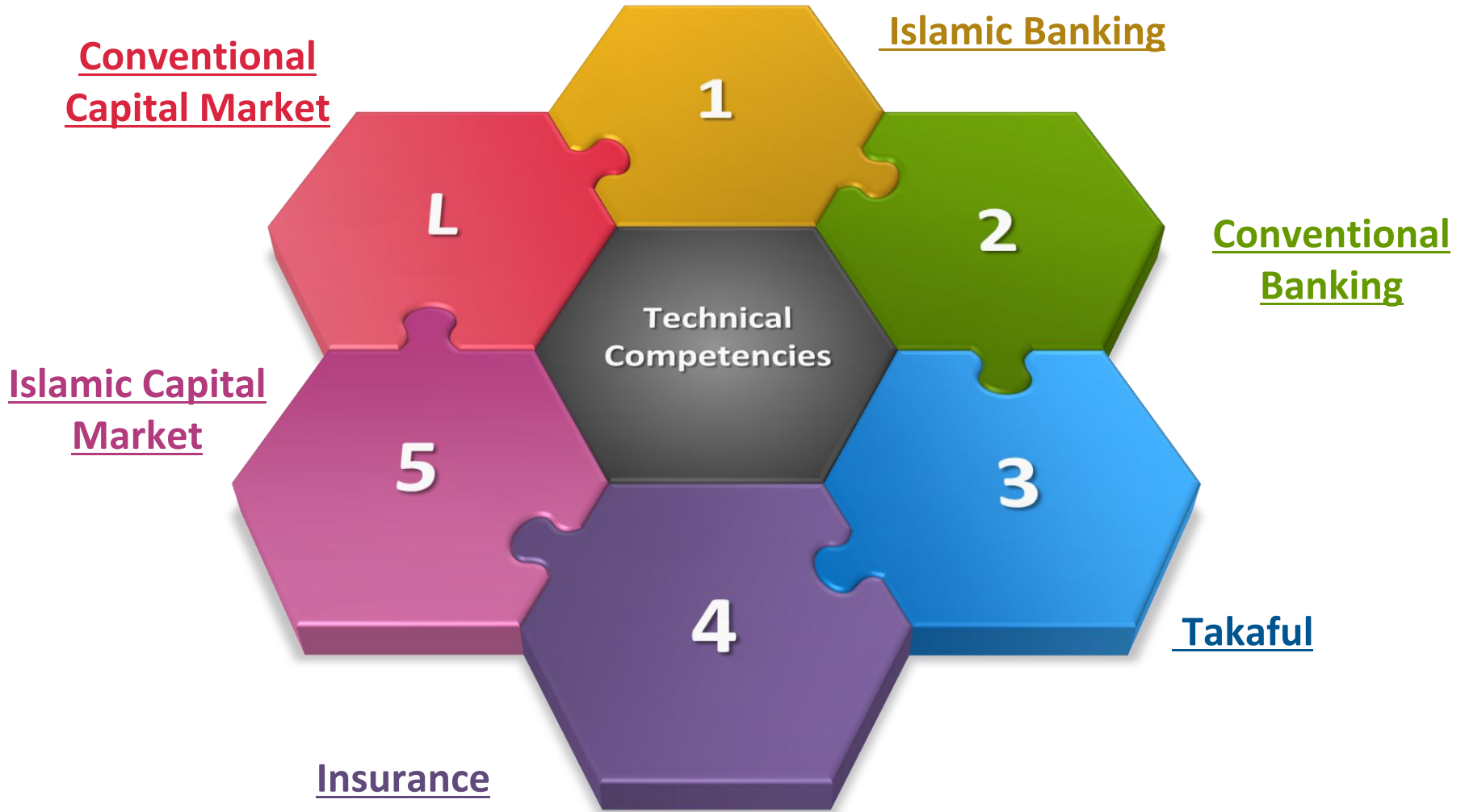
Proposed Learning Outcomes

| Level | Proposed Learning Outcomes |
|-------|---|
| 6 | “At the end of the programme, the learner is expected to have advanced knowledge and skills in making judgements and predictions with incomplete information to formulate new ideas and strategies” |
| 5 | “At the end of the programme, the learner is expected to have critical & specialised knowledge and skills to justify solutions from a range of information to resolve complex issues” |
| 4 | “At the end of the programme, the learner is expected to have comprehensive knowledge and skills to evaluate and recommend solutions to a range of complex tasks” |
| 3 | “At the end of the programme, the learner is expected to have operational knowledge and skills to manage complex and broad tasks” |
| 2 | “At the end of the programme, the learner is expected to have practical knowledge and skills to carry out mix of routine & non-routine tasks” |
| 1 | “At the end of the programme, the learner is expected to have fundamental knowledge and skills to carry-out simple and routine tasks” |

Proposed Entry Requirements

| Level | Proposed Entry Requirements |
|-------|---|
| 6 | FQS Level 5 |
| 5 | FQS Level 4 |
| 4 | Degree or equivalent / FQS Level 3 |
| 3 | Diploma or equivalent / FQS Level 2 |
| 2 | Certificate or equivalent / FQS Level 1 |
| 1 | O Level or equivalent |

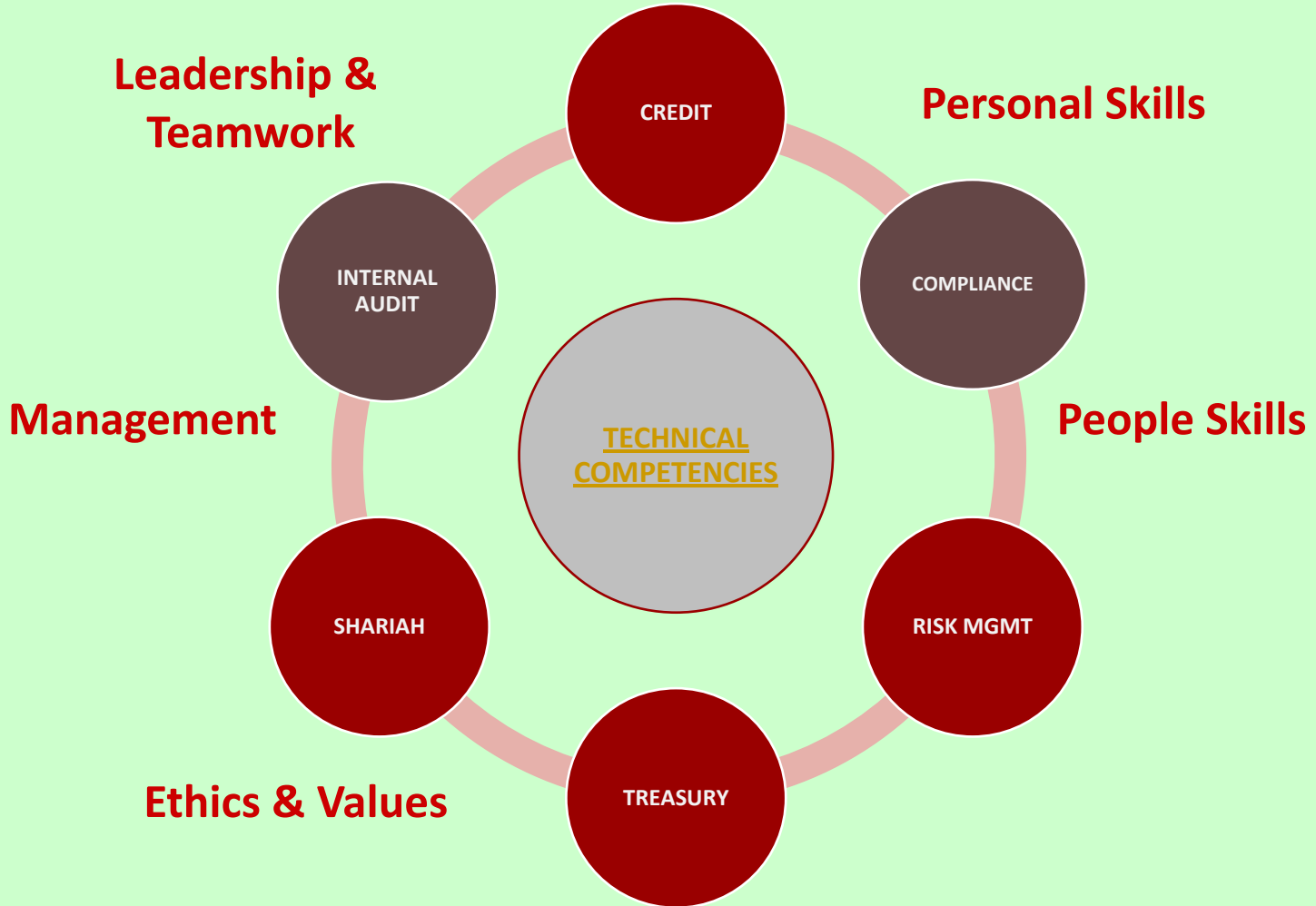
Areas of FAA Learning Standards



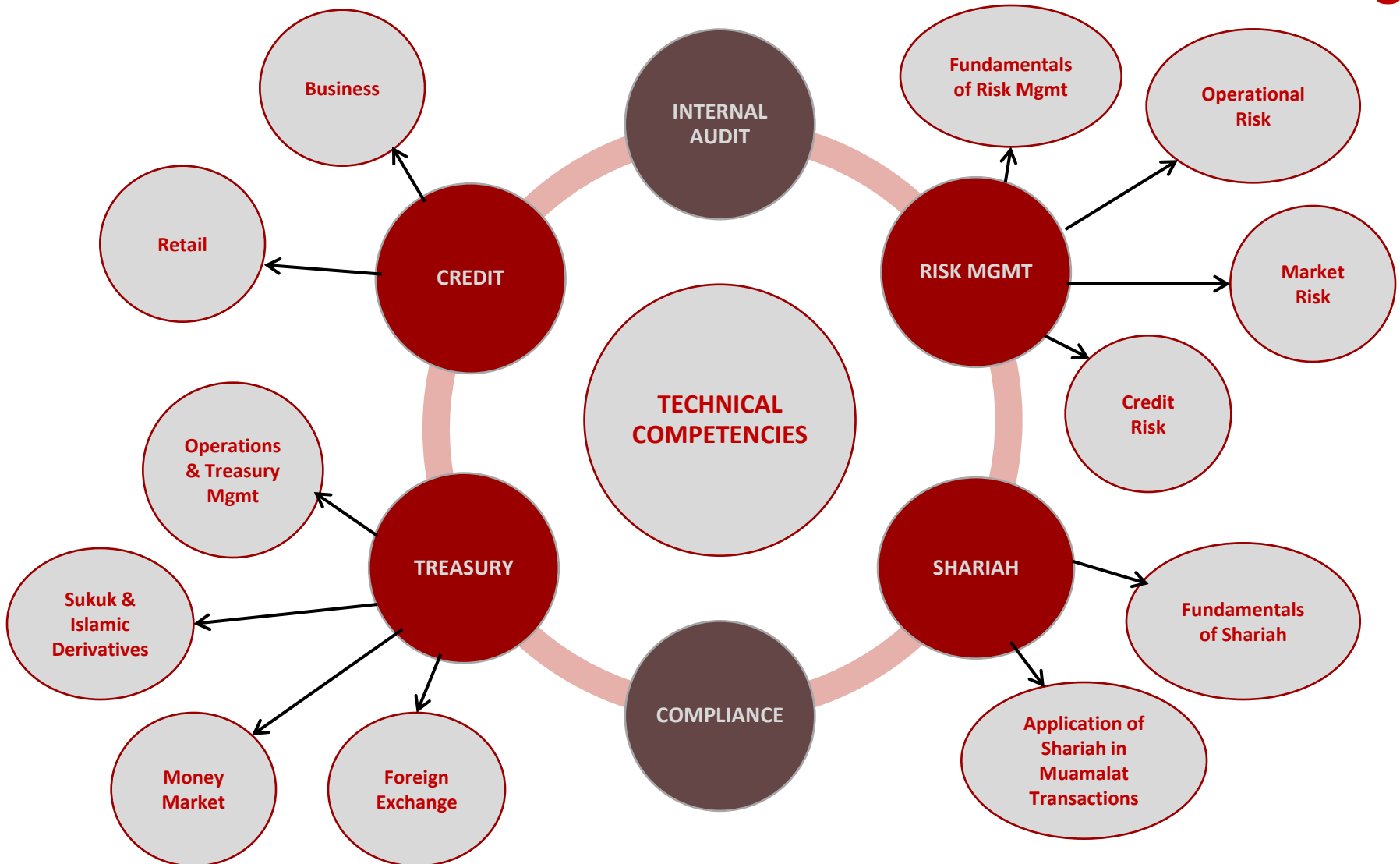
Critical Functional Learning Areas - Islamic Banking

S
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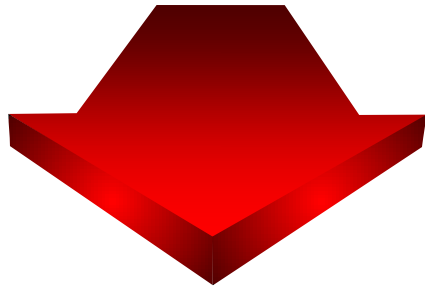
Technical Competencies for Islamic Banking



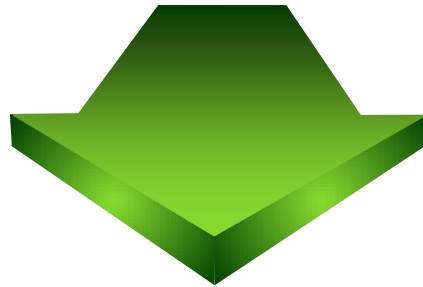
Proposed FQS - Islamic Banking

| Qualification Levels | Areas of Specialisation | | | | | | Qualifications |
|-------------------------|-------------------------|-----------------|---------------|---------------------|-------------------|----------------------|---|
| | Credit Specialist | Comp Specialist | RM Specialist | Treasury Specialist | Sharia Specialist | Int Audit Specialist | |
| 6 | Specialisations | | | | | | Professional Qualification in Islamic Banking |
| 5 | | | | | | | |
| 4 | | | | | | | Advanced Qualification in Islamic Banking |
| 3 | | | | | | | |
| 2 | | | | | | | Certificate in Islamic Banking |
| 1 | | | | | | | |
| Areas of Specialisation | Credit | Comp | Risk Mgmt | Treasury | Sharia | Int. Audit | Generalisations |

Mapping Learning Hours & Credit Hours



Equivalency between professional & academic qualifications in terms of learning versus credit hours for the purpose of credit transfer or exemption



To link the learning outcomes between the professional & academic modules



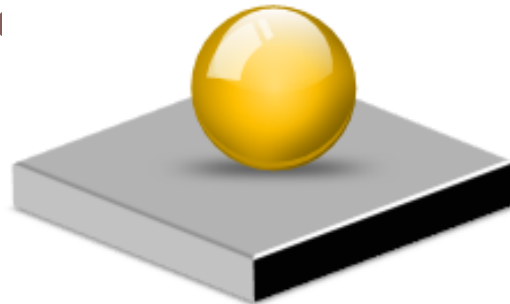
Structured '*minimum learning hours*' to certify a professional qualification, for individual practitioners to become a specialist or generalist



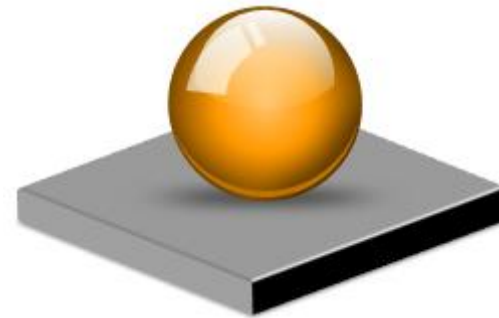
Credit system for the professional qualifications in the FSI applicable to the FTPs for designing, developing, delivering learning programmes and awarding qualifications

Recognition of prior learning :

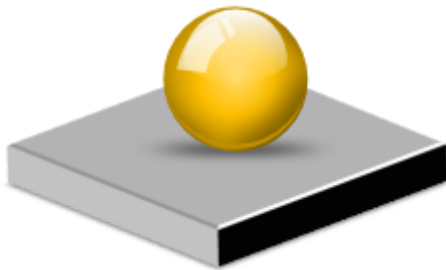
**Formal/ informal training
& development**



**Continuous Professional
Development (CPD)
activities**



**Professional
qualifications obtained**



Concerted efforts of quality talent development in the FSI

One global learning standards for the FSI



Thank You
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