

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

By:

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2014 Asia Pacific Quality Network (APQN) Annual
Conference & Annual General Meeting

7-8 March 2014

FTU, Hanoi, Vietnam



Talent Development in the FSI

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 crammes

78

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





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



Key Strategic Issues in Talent Development



Quality of Training & Professional Development Programme



Key Strategic Issues in Talent Development (Cont.)

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









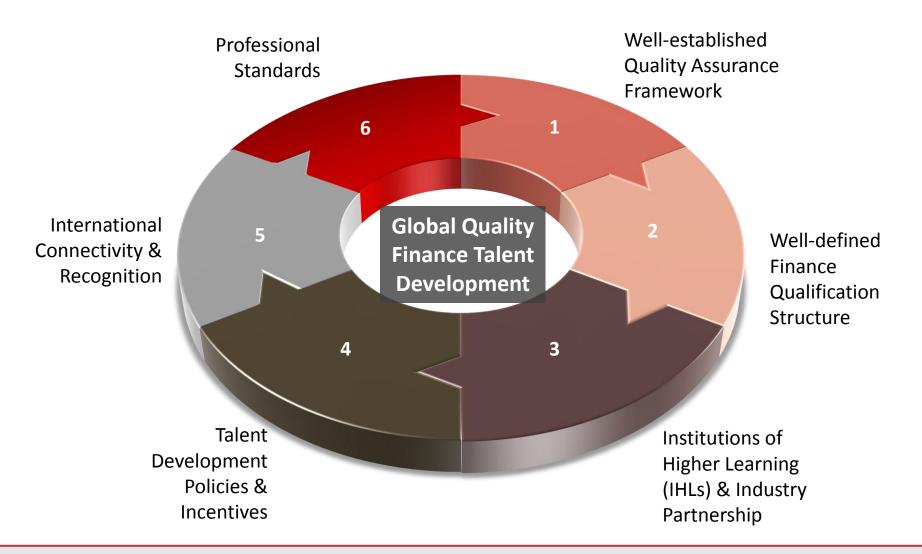
Global Talent Outlook in the FSI (Cont.)

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%		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



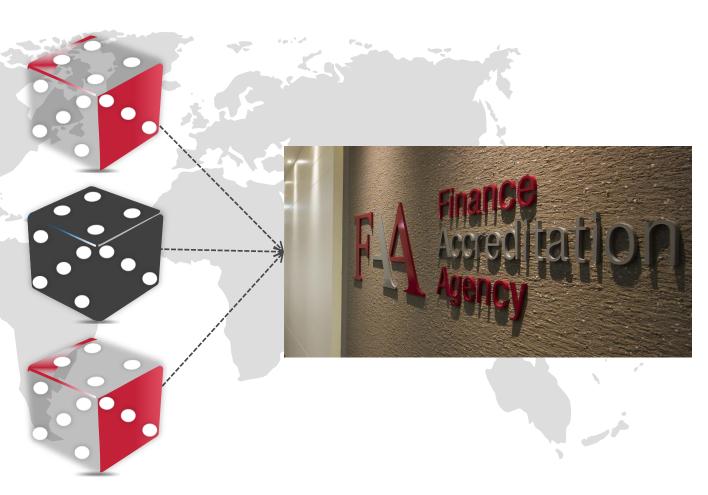


Finance Accreditation Agency

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

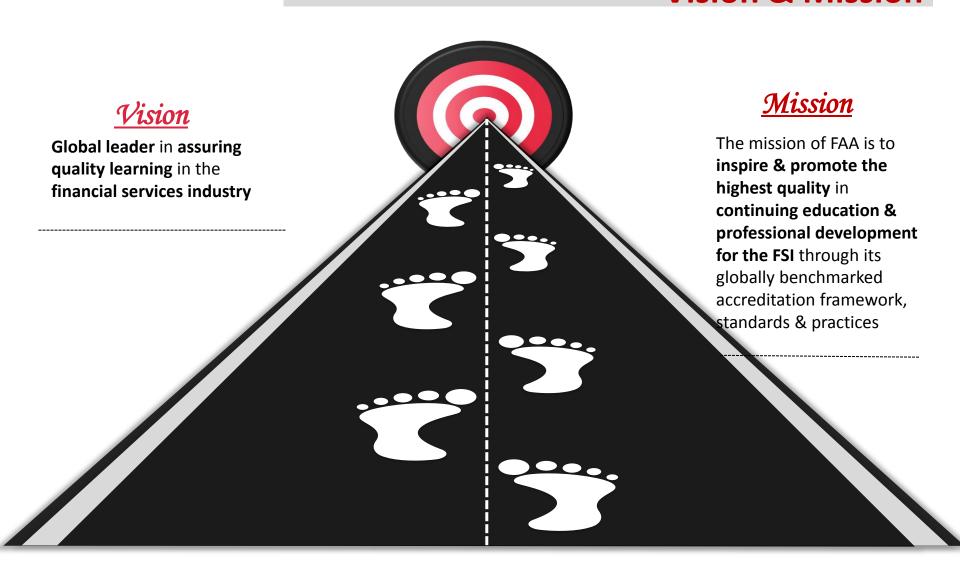
Provides high quality assurance practices and accreditation of institutions, learning programmes and individuals in the financial services industry (FSI)

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





Finance Accreditation Agency - Vision & Mission





Mandates of FAA

Provide assurance that the learning Assure that accredited programmes in the FSI met programmes are relevant & international best practices & required by the FSI benchmarks **Provide regional &** international recognition of qualifications **Provide** recognition of

Provide formal recognition to the knowledge & skills

base of FSI members

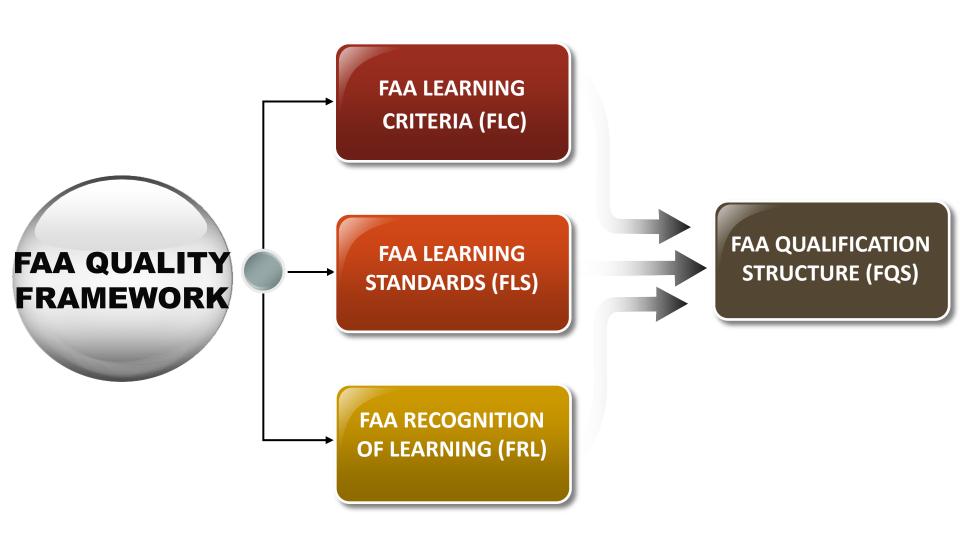
Quality assure the education & training providers

prior learning

Provide a learning pathway for FSI members

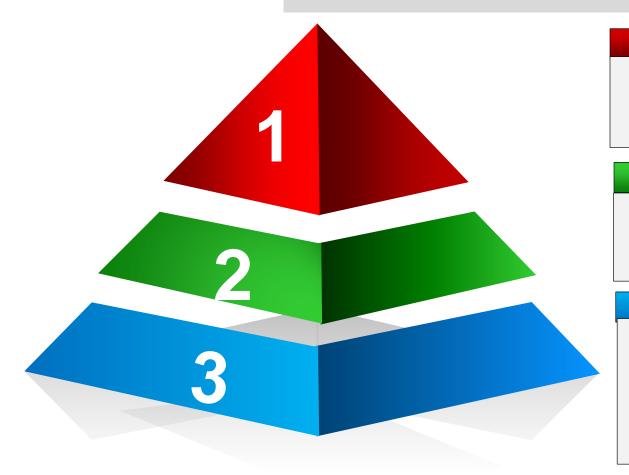


FAA Qualification Structure (FQS)





Objectives of FQS



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

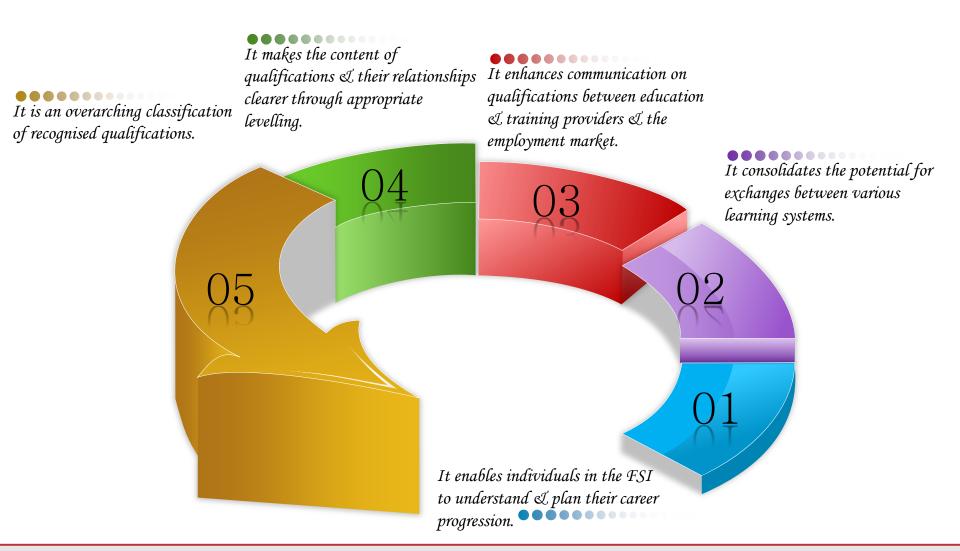
The integration of all the professional qualifications in the FQS enables **mutual recognition** from other accrediting bodies locally and abroad.

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.

wise & for seeking higher academic qualifications.



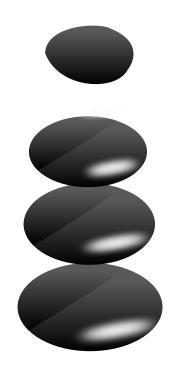
Added Value of the FQS





Operational Definition of FQS

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.





Definitions of 'Qualification Description'

"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



Qualification Descriptions (QD)

The QDs will be valuable reference elements to:

Provide guidance and reference for individuals & FSI

Evaluate the competency levels of individuals through **FRL**



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."

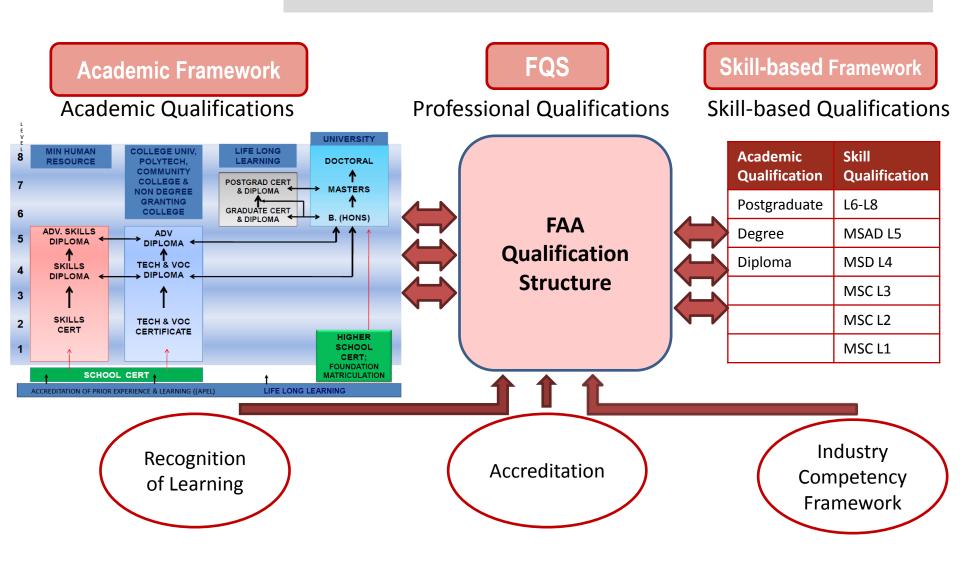
Source: AQF, Australia

"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)



Development of FQS

Quarter 1

Quarter 2

Quarter 3

Quarter 4

Formation of FQS
Working Committee

Establishment of key milestones & deliverables

Development of the concept for FQS (FLS & FRL) Formation of FAA
Steering
Committee

Development of TOR for the FQS

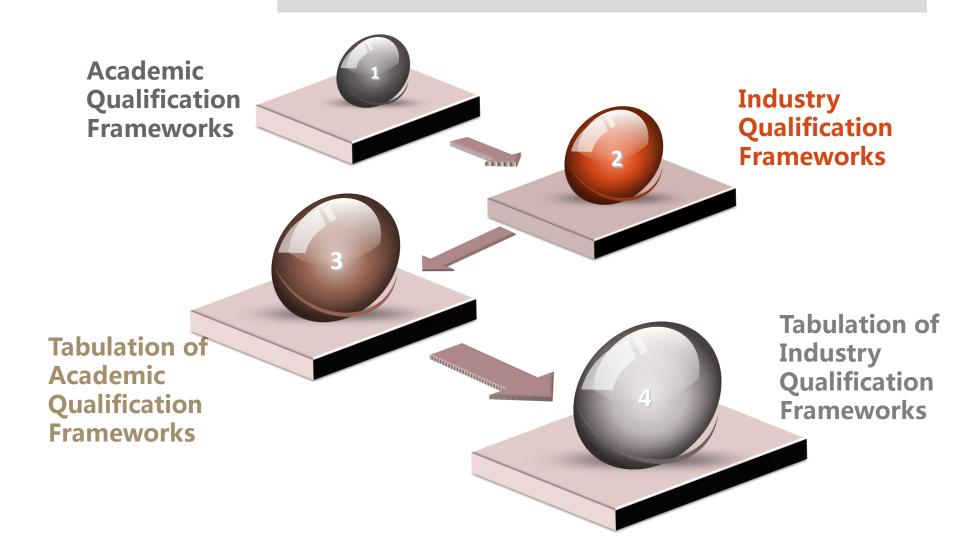
Appointment of Industry Experts for the development of FLS Review & feedback on the concept of FQS by the FAA Steering Committee

Development of FQS (FLS & FRL)

Finalisation & completion of the FQS



Desktop Review



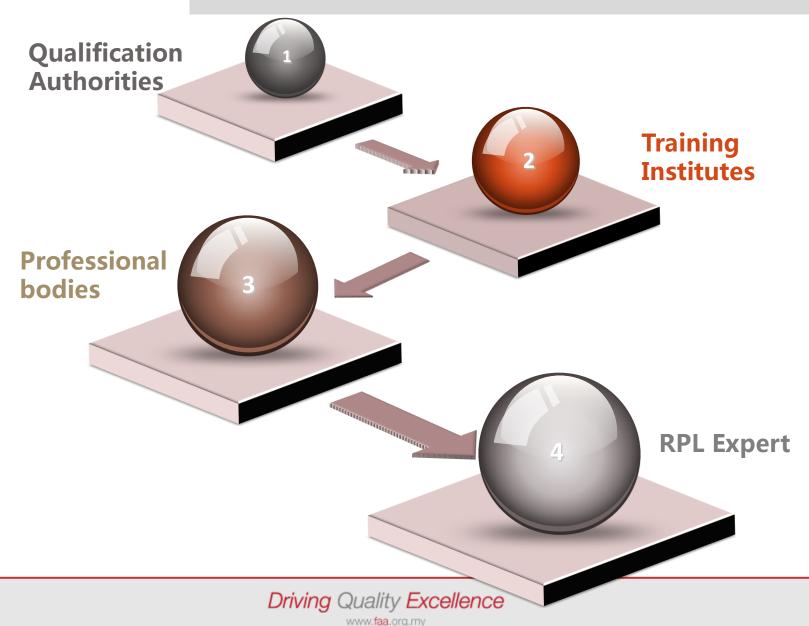


Tabulation of Qualification Frameworks

FQS												VOCATIONA	L FRAMEWORK			
LEVEL	MQA L NOMENCLATURE	THAILAND NOMENCLATURE	PHILIPPHINES L NOMENCLATURE L	UK (QAA) NOMENCLATURE	EU - BOLOGNA L NOMENCLATURE	IRELAND L NOMENCLATURE	SCOTLAND (FHEQ) NOMENCLATURE	AUSTRALIA L NOMENCLATURE	L NOMENCLATURE L	ONTARIO NOMENCLATURE	L NOMENCLATURE	NZ L NOMENCLATURE	L NOMENCLATURE	L NOMENCLATURE	L NOMENCLATURE	UK (WALES) - CQFW NOMENCLATURE
6	B Doctoral Degree	6 Doctor	Doctoral Degree 8 and Post-Doctoral Programs	Doctoral degree	4 Third cycle qualification	Higher Doctorate, Doctoral Degree	D Doctoral Degree = SCQF Level 12	0 Doctoral Degree	3 Doctoral's Level 1	3 Doctoral Degree	7 Doctor	Doctoral Degrees	Award Level 12 = Doctorates = PDA Level 12	8 Vocational Qualifications	8 Vocational Qualifications	8 Doctoral Degrees
5	Postgraduate Certificate & Postgraduate Diploma	Higher Graduate Diploma Master	Post- 7 Baccalaureate 7 Program	Master's Degrees, Integrated Master's Degrees, Postgraduate Diplomas, Postgraduate Certificate in Education (PGCE), Postgraduate Certificates	3 Second cycle qualification	Post Graduate 9 Diploma, Master Degree	Masters Degrees = SCQF Level 11	9 Masters Degree	2 Master's Level 1	2 Master Degree	Master - Postgraduate 6 Diploma, Postgraduate Certificate	9 Master's Degree	Award Level 11 = 11 Masters = PDA Level 11 = SVQ 5	Fellowships, NVQ Level 5, Vocational Qualifications Level 7	Fellowships, NVQ 7 Level 5, Vocational Qualifications Level 7	Master's Degrees, Integrated Master's Degrees, Postgraduate Diplomas, Postgraduate Certificate in Education (PGCE), Postgraduate Certificates
4	5 Bachelors Degree	3 Graduate Diploma	6	Bachelor's Degrees with Honours, Bachelor's Degrees,	First cycle	Higher Diploma / 8 Honours Bachelor (Degree	Scottish Bachelors H degree with Honours = SCQF Level 10	Bachelor Honours Degree / Graduate Certificate / Vocational Graduate Certificate / Graduate Diploma	1	Baccalaureate/Bac 1 helor's Degree: Honours	5 Bachelor	Bachelor Honours Degree / 8 Postgraduate Diploma & Certificates	Award Level 10 = Honours Degree = PDA Level 10	Vocational	Vocational	Bachelor's Degrees with Honours, Bachelor's Degrees, Professional Graduate
3	Graduate Certificate & Graduate Diploma	2 Bachelor	6 Baccalaureate Degree 6	Professional Graduate Certificate in Education (PGCE), Graduate Diplomas, Graduate Certificates	2 qualification	7 Ordinary Bachelor	Scottish Bachelors degree = SCQF Level	7 Bachelor Degree	1 Bachelor's Level	Baccalaureate/Bac helor's Degree Post-Diploma Certidicate	Professional Diploma, Professional Certificate	Bachelor Degree / Graduate Diploma & Certificates	Award Level 9 = 9 Ordinary Degree =	6 Qualifications Level 6	6 Qualifications Level 6	Certificate in Education (PGCE), Graduate Diplomas, Graduate Certificates
2	5 Advanced Diploma	Advanced Diploma		Foundation Degrees, Diplomas of Higher Education (DipHE),	Short cycle (within or linked to the	Degree	9	Advanced Diploma /Associate Degree	8	Advanced Diploma	5 Advanced Diploma	6 Diploma 6 / Certificate 6	PDA Level 9 = SVQ 4	NVQ Level 4, Higher National Diplomas	NVQ Level 4, Higher National Diolomas	Foundation Degrees, Diplomas of Higher Education (DidHE).
1	4 Diploma		5 Diploma	Higher National Diplomas (HND)	1 first cycle) Qualification	Higher Certificate / Advanced Certificate	Diploma of Higher 2 Education = SCQF Level 8	5 Diploma	:	7 Diploma II 5 Diploma I	4 Associate 3 Diploma	5 Diploma 5 / Certificate 5	Award Level 8 = Higher National Diploma = PDA Level 8 = SVQ 4	(HND), Vocational (HND)	(HND), Vocational Qualifications Level 5	Higher National Diplomas (HND)
			4 National Certificate IV			5 Lauris Cartificate		4 Certificate IV		5 Certificate III		4 Certificate 4	Advanced Higher = Award Level 7 = Higher National Certificate = PDA	Vocational Qualifications Level 4, Higher National Certificates (HNC)	Vocational Qualifications Level 4, Higher National Certificates (HNC)	Higher National Certifi cates (HNC), Certifi cates of Higher Education NVQ Level 3, ESW, WKS,
	3 Certificate		4 National	Higher National Certificates (HNC), Certificates of Higher Education		5 Level 5 Certificate	Certificate of Higher Education = SCQF Level 7	3 Certificate III	4	Certificate of Qualification	3 Certificate	4 Certificate 4	Higher = Award Level 6 = NPA Level 6 = NC Level 6 = PDA Level 6	NVQ Level 3, Vocational Qualifications Level 3, GCE AS and A Level, Advanced Diploma	NVQ Level 3, Vocational Qualifications Level 3, GCE AS and A Level, Advanced Diploma	Vocational Qualifications Level 3, GCE AS and A Level, Welsh Baccalaureate Qualification
			Certificate III	(CertHE)		4 Level 4 Certificate		s ceruncate iii	=	Certificate of Apprenticeship		3 Certificate 3	= SVQ 3 National 5 = Award Level 5 = NPA Level 5 = NC Level 5 = SVQ 2	NVQ Level 2, Vocational Qualifications Level 2, GCSEs at grade A*-C, ESOL skills for life, functional skills Level 2	NVQ Level 2, Vocational Qualifications Level 2, GCSEs at grade A*-C, ESOL skills for life,	NVQ Level 2, Vocational Qualifications Level 2, Welsh Baccalaureate Qualification
	2 Skills Certificate II		National Certificate II			Level 3 Junior 3 Certificate / Level 3 Certificate		2 Certificate II	:	2 Certificate II	2 Certificate	2 Certificate 2	National 4 = Award 4 Level 4 = NPA Level 4 = NC Level 4 = SVQ 1	NVQ Level 1, Vocational Qualifications Level 1, GCSEs at grade D-G, ESOL skills for life, 1 Foundation Diplomas (England), functional skills Level 1 (England) (English, Mathematics & ICT), Essential Skills	NVQ Level 1, Vocational Qualifications Level 1, GCSEs at grade 0-6, ESOL skills for life, Foundation Diplomas (England), functional skills Level 1 (England) (English, Mathematics	NVQ Level 1, ESW, WKS, Vocational Qualifications Level 1, GCSEs at grade D-G, Welsh Baccalaureate Qualification Foundation
			National			2 Level 2 Certificate			1	L Certificate I	2 Foundation Certificate		National 3 = Award Level 3 = NPA Level 3 = NC Level 3	Entry Level Certificates (sub levels 1-3), ESOL skills for life, functional skills, Entry Level		Entry Level Qualifications,
	1 Skills Certificate 1		National Certificate I			1 Level 1 Certificate		1 Certificate I	_		1 Certificate 1 Foundation Certification	1 Certificate 1	National 2 = Award Level 2 = NPA Level 2 = NC Level 2 National 1 = Award Level 1	skills, Entry Level (England) (English, Mathematics & ICT), Essential Skills Qualifications (NI)		ESW



Steering Committee Membership





Major Findings



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



Proposed Mapping of Learning Programmes

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



Qualification Descriptions for FQS Level

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



Definition and Description - Knowledge

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.



Definition and Description- Skills

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	range of 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.						



Definition and Description - Application

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



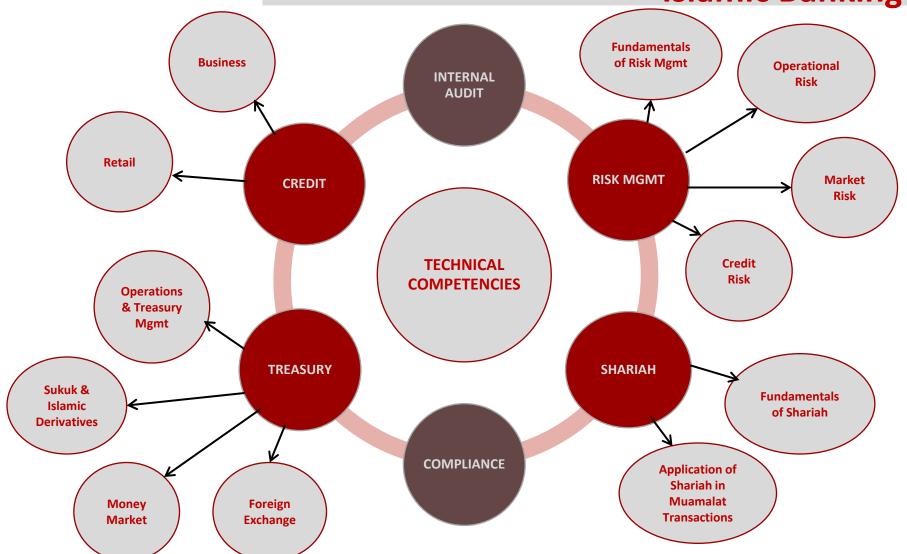


Critical Functional Learning Areas - Islamic Banking

Leadership & **Personal Skills CREDIT Teamwork INTERNAL COMPLIANCE AUDIT People Skills** Management **TECHNICAL COMPETENCIES RISK MGMT SHARIAH Ethics & Values TREASURY**



Technical Competencies for Islamic Banking



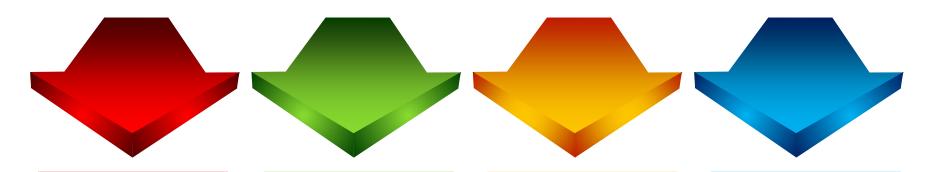


Proposed FQS - Islamic Banking

Qualification			Qualifications				
Levels	Credit Specialist	Comp Specialist	RM Specialist	Treasury Specialist	Sharia Specialist	Int Audit Specialist	
6	Specialis	sations					Professional Ouglification in
5							Qualification in Islamic Banking
4							Advanced
3							Qualification in Islamic Banking
2							Certificate in
1							Islamic Banking
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

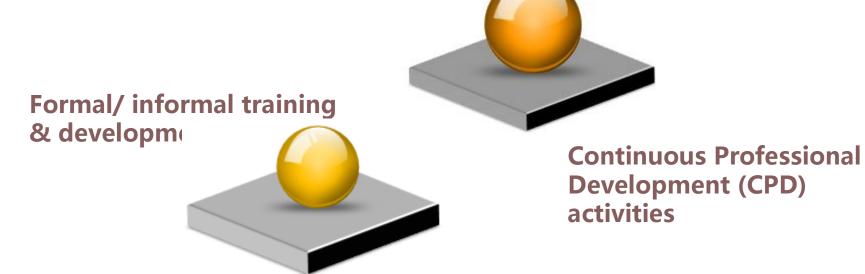
Structured
'minimum
learning hours'
to certify a
professional
qualification, for
individual
practitioners to
become a
specialist or
generalist

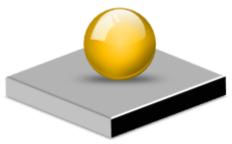
Credit system for the professional qualifications in the FSI applicable to the FTPs for designing, developing, delivering learning programmes and awarding qualifications



Filling the Qualification Gaps

Recognition of prior learning:





Professional qualifications obtained



Conclusion

Concerted efforts of quality talent development in the FSI





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