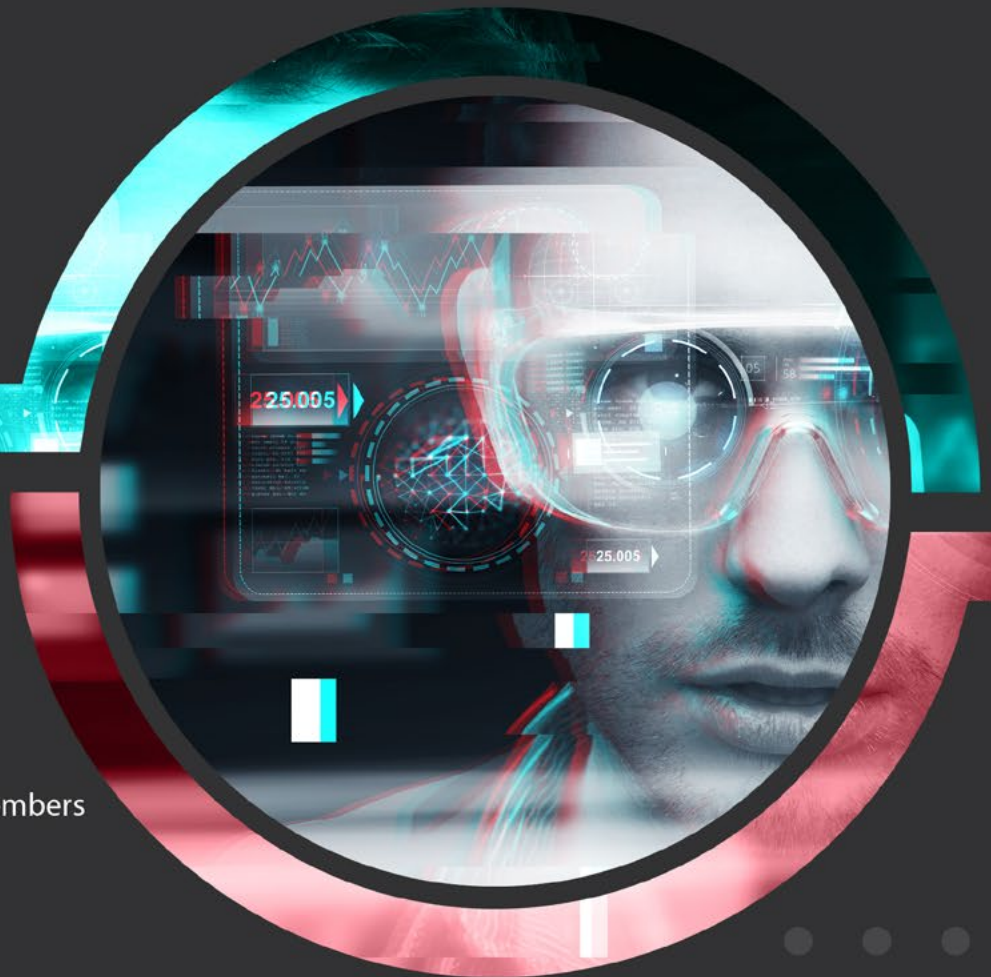




CENTRAL BANK OF EGYPT
Egyptian Banking Institute

The Future of **Competencies** & Skills Study Egyptian Banking Sector Case



Submitted by:
Research & Awareness Members
Yasmine Amr Soliman
Menna Mahmoud
Donia Moustafa

Supervised by:
Dr. Ola El Khawaga



Executive Summary

To be successful in the next decade, **all bankers in different levels** will need to cope with the rapidly shifting landscape of competencies and skills requirements. They will increasingly be called upon to continually **reassess the skills** they need, and quickly put together the right resources to develop and update their capabilities and general performance. Bankers of the future will need to be **adaptable lifelong learners**.

As for **banks leaders and decisions makers**, they must also be alert to the changing environment and adapt their workforce planning and development strategies to ensure alignment with future skill requirements. **Human resources professionals** might reconsider traditional methods for identifying critical skills, as well as selecting and developing talent. The speed innovation in information technology and customer changing trends are shaping the jobs landscape future, which orient banks to highly consider talent retention and to focus on updating the needed skills to achieve sustainable success. A **workforce strategy** for sustaining business goals should be one of the most critical outcomes of human resource professionals and should involve collaborating with all leaders and decision makers in the banking industry to address lifelong learning and skills development strategies for the future.

This study aims at highlighting the trends and forces reshaping the banking industry and its impact on the future of competencies and skills requirements. The first part discusses the main trends and drivers of changes surrounding the industry, the characteristics of banking jobs and the banker of the future and the new role of HR and business leaders coping with continuous changes. The second part presents the benefits of a comprehensive well-structured competency framework for any organization, the relation between core competencies and competitive advantage and analyses new set of competencies associated with new jobs and roles worldwide. As for the third party, it includes the results and analysis of the survey designed and distributed among HR leaders in all Egyptian banks to receive their insights and vision towards the competencies, skills and roles that will be more essential in the banking industry in the future.

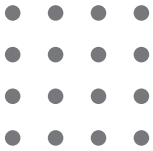


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Part One

Banks and Bankers
of the Future





A- The trends affecting the Banking Industry and effective change management

As the world becomes increasingly volatile and unpredictable, organizations that can quickly and easily adapt to changing business conditions will outpace their competitors (Accenture,2015).

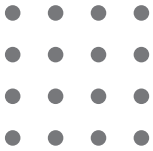
Worldwide, the banking sector is witnessing several internal and external aspects of change including information technology, battle for superior talents, information overload, diversified environments, customer changing trends and demographics, economical and geopolitical drivers of change. At the top of all the aspects, technological breakthroughs in particular are having a disproportionate effect on financial services. Rapidly advancing technologies, evolving customer expectations and a changing regulatory landscape are opening doors to innovation in financial services. From crypto-currencies to big data to peer-to-peer lending, finTech innovations have captured the attention and imagination of customers, investors and incumbents.

Technology is dramatically reshaping financial services, as consumers' behaviors evolve; traditional players are facing new competitors. The key trends driving these innovations include ongoing digital transformation, collaboration with finTechs, and the increasing role of artificial intelligence and robotics. Therefore, change management is becoming vital in safeguarding the workforce to accept and adapt to new systems, and banks should re-define themselves like agile technology companies as customer preferences, demographics and lifestyles change.

Several trends are driving changes in the financial services industry. As per the world economic forum jobs report 2018; new technology adoption, advances in mobile internet, big data, artificial intelligence, cloud technology in addition to the expansion of education and middle classes are considered to be the main trends driving the industry changes.

It is now widely recognized that organizational agility (ability to anticipate and address the forces affecting the business) is critical for business success. More and more organizations transform into agile (flexible) organizations to respond to change faster and to delight their customers.

Organizations including financial institutions are shifting because they realize that moving to an agile framework gives them an invaluable competitive edge where



they anticipate proactively. They are prepared to take on the challenges of highly demanding customers and markets, able to tailor products and services to emerging needs, drive innovation, while sharing knowledge and learning and adapting continuously. Thus, working in a more agile way has the potential to offer organizations practical solutions to meet the evolving needs of their workforce, control operational costs, while finding competitive advantage in greater customer focus and innovation.

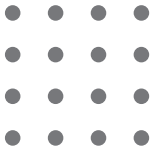
In a survey of C-suite executives, CEOs reported that **becoming agile is now their number-three business priority; managing change and attracting, developing and retaining skilled talent came in as numbers one and two, respectively** (Accenture, 2015).

Since change has become a common phenomenon for any given organization to achieve sustainability (Samuel, 2013), banks leaders should effectively manage change in a way that preserve core values and purposes on one hand; and manage changing cultural and operating practices and specific goals and strategies on the other hand. Banks management has to make sure that their workforces are well prepared with the needed skills and competencies to manage change especially during periods of uncertainty.

Moreover, in order to have an efficient and effective **change management technique**, several prerequisites should be taken into account, two of which are time and scope. For instance, it's important for a governance structure to indicate the right timing for radical changes, where during the time of crisis, a target group will respond more drastically than in a more static phase. As for the scope, employers should determine the extent to which they want to implement a change, and this is also bounded by resources such as time, fund and enrolled candidates in that respect.

As banks continue to cope with the developments that have already made an impact, their ability to transform themselves with speed and agility, and their future strategies to survive the next revolution, will determine the winners and losers in this technologically advanced future.

Every bank should work hard to update its legacy systems and effectively use technology to improve customer experience. In the future, **Voice recognition** will be the primary mechanism of payment and it is expected to depend on more robots than humans. **Artificial intelligence (AI)** in banking will be based on customer's behavior and more advices will be given through AI replacing human interaction. The industry will witness a shift from focusing on banking products to providing a significant value to customers banking experience.



Financial institutions should have the right framework to compete with BigTechs like Google and Amazon that are making their way into people’s financial life. Therefore, traditional banking approaches such as multichannel banking that focuses only on transactions should be enhanced with omni-channel banking experience that concentrates more on interactions with customers. However, multichannel banking remains an essential foundation to a comprehensive Omni-channel experience. The following table presents the evolution from multi-channel banking to Omni-channel banking experience.

The evolution from multi-channel banking to Omni-channel banking	
Multichannel banking	Omni-channel banking
<ul style="list-style-type: none"> - A bank centric approach - Allowing clients to transact with the bank via multiple channels - Based on system of customers transactions records & service-oriented architectures “SOA”¹ 	<ul style="list-style-type: none"> - A client centric approach - Allowing the clients to interact with the bank via multiple channels - Based on system of engagements with customers & Big Data
<p><i>Source: Omnichannel Banking White Paper, IBM, 2014</i></p>	

To respond to rapid changes, banks should introduce new products and services quickly and at almost zero marginal cost to be agile enough to exceed customer expectations. Banks management should put the customer at the heart of their everyday decisions, and ensure that each customer receives a product or service tailored to his /her needs.

Therefore, banks should transform to **Modular Banking**². In order to implement Modular Banking, banks should move towards process agility through rapid technology adoption, learning and quick recovery from failure, employees’ delegation and empowerment and more customer-focused approach.

1- SOA is Concept of enterprise software development, which centers on combining and integrating IT applications to maximize their benefits to the organization. SOA is an integration framework that binds internal and external information and computing services to create a solution to support a business process.

2- The modular bank of the future will have only one thing left from the legacy – bank account. It will be a platform that connects alternative providers in a massive network, out of which each customer can pick and choose the vendor for a particular need and shuffle them as he pleases. All that comes with a bank-grade security and compliance, expertise and (maybe) centralized customer service



B- HR Function and Leadership New Roles in the Banking Industry

As organizations reconfigure their businesses to make agility a top priority, this process will create a new role and set of responsibilities for HR. This in turn will reshape the way HR is structured and how talent management and HR services are delivered. In many organizations, existing HR teams are currently deploying efforts to create agile workforces.

Many business professionals were under the impression that agile approaches are mainly driven by IT functions. However, evidence shows that agile is a people-centric methodology linked to the main two functions of HR professionals: people management practices and organizational culture change. The term 'agility' in the business context refer to workforce agility (flexibility in matching workforce fluctuations to demand), and operational agility (responsiveness of processes and structures).

Moving to an agile framework requires different competencies of the organization's HR. HR professionals will have to become knowledgeable experts in agility to lead their organization into a change-ready future. HR new agile role is redefining the organization identity, shaping a responsive culture. It helps identifying critical change phases, developing a realistic transformation plan, and assessing the organization's capacity to absorb changes.

Agile organizations are not only depending on just a few decision makers at the top to achieve the strategic objectives rather, they will count on their entire workforce, those within and even beyond their borders, to proactively respond to change. Organizations use highly standardized processes to try to forecast needs and design the most efficient systems to ensure that the right resources or people are available at the right time and place.

Agile teams may also need to include workers who reside beyond organizational walls—such as freelancers, outsourcing partners and strategic partners. This approach will help organizations swiftly gain the best thinking and skills from anywhere and apply them to every project and situation.

Banks struggle to sustain greater efficiency and profitability while orienting more investments towards new digital technologies. In this context, they should use what's called the "Fit for Growth" approach which is defined as per PWC to be a proven model for unlocking performance and helping institutions manage their



cost in a more strategic way, allowing them to cut costs and grow stronger at the same time. This involves reducing or eliminating the less strategic aspects of their operations and investing the savings in capabilities that directly promote growth (PWC, 2017).

Outsourcing remains one of the solutions to reach this objective – but the outsourcing option is not only restricted to IT operations, as it can be applied on complex activities like procurement, analytics, trading, marketing, and several finance functions that can now be outsourced profitably and with confidence. However, banks should be fully aware of the financial implications of any outsourcing strategy. Outsource decisions must be subjected to a careful analysis, including a detailed business case.

This kind of decision should be aligned with a comprehensive strategy aiming at building flexible highly scalable business model that can adapt quickly to changing market. Banks need to identify their strategic objectives for moving to the modular model. Their goals might include cutting costs while improving control over their current outsourcing providers, gaining access to critical digital capabilities, fulfilling regulatory requirements, improving services quality or reducing risks (PWC,2017). If the process is done right, the rewards should outweigh the risks.

It is also important to highlight that training and learning are becoming more important to enable agility. HR and training departments will be increasingly responsible for not only developing learning and training programs, but also for developing a culture of continuous learning, fostering informal, peer-to-peer learning, and hiring people who have the ability to learn quickly and easily.

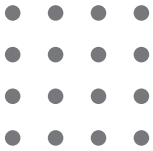
In the same context, **banks leaders should acquire critical skills** to be ready for the future, and spread new competencies among their subordinates; to enable the banking system to cope with technological advancement speed and customers increasing needs. In addition to presenting a clear vision with determination and passion; translating the vision into a clear business strategy, consistent objectives and action plans.

HR Team and banks leaders must work together to remove old rigid restrictions and moving towards more flexible and updated policies and regulations. Banking leader's role in driving banking innovation is built on realizing and adapting to digital capacity in transforming legacy IT systems and how it can be leveraged to create better products for today's customers. Both **adaptability and agile thinking** can be acquired by banking leaders through having an open, adaptable and agile mindset. It is essential for leaders to always be familiar with the recent technological trends and costs to be ready for forthcoming challenges in the industry, simultaneously introduce new solutions to existing problems and revolutionize banking experience at large.



Banking leaders today should also pay attention to build a **network of effective relationships** inside and outside the organization; acting ethically and reliably; presenting a high level of consistency between words and actions. The most common problems declared by workers in the banking sector are “overloading and extreme burden of work, strictly time pressure of completion of tasks, more than 12 hours of work duration, fear of termination of job contract, etc.” (Pahuja and Sahi, 2012). This leads to more pressure and stress that reflects in employees’ productivity and ability of properly accomplishing their tasks. Therefore, a successful banking leader should be able to help his/her employees and subordinates to regulate and navigate these emotional challenges to deliver an effective customer experience. Bank leaders should invest in their teams and dedicate time for their personal development in form of **coaching and rewarding approach**. Investing in teams gives leaders the opportunity to engage with them to objectively discuss what they need for their career development, and what they can do to bring themselves and the organization to the next level. Banks leaders should focus on creating a positive climate, engaging their employees in the decision-making process and preparing successors by delegating tasks and sharing permissions.

Therefore, banks’ strategies and workforce competencies should be adjusted to meet both the customer’s need and the whole organization’s objective.



C- Banking Jobs and the Characteristics of the Banker of the Future:

As stated previously, the banking industry is characterized by diversity of products and services, increased choices, security and accessibility concerns. Players in this industry have experienced increased competition over the last years resulting from increased innovations among banks and the new entrants in the market. Banks should be prepared to take advantages of new technologies such as blockchain, artificial intelligence, machine learning and robotics that have the potential to disrupt their current business and operating models.

Current banking jobs are being disrupted due to the dominance of technology. The traditional career path of being hired and automatically moving up through different positions within the organization due to hard work and loyalty will significantly change. Technologies are clearly having direct and indirect effects on banks functions such as compliance, payments, and retail services. To adapt with the changing environment, banks need agile and adaptive labor force capable to effectively deal with these new innovations. The next two to three years, machines will be capable of performing approximately 30% of the work currently done at banks (BGLN, 2018). More precisely, they are more utilized in assessing and analyzing data and contractual agreements. Hence, most banks are targeting digital transformation, however, they have to be fully aware of its impact on existing jobs. Technology and machines have substituted a lot of human work from one side and created different type of jobs in the financial industry.

The World Economic Forum jobs report published in 2018 analyzed the emerging and declining jobs in the Financial Services Industry as per the table below:

Financial Services Industry	
Emerging Jobs	Declining Jobs
Data Analysts and Scientists	Data Entry Clerks
AI and Machine Learning Specialists	Administrative and Executive Secretaries
User Experience and Human-Machine Interaction Designers	Accounting, Bookkeeping and Payroll Clerks
Digital Transformation Specialists	Business Services and Administration Managers
Sales and Marketing Professionals	Bank Tellers and Related Clerks
Client Information and Customer Service Workers	Management and Organization Analysts
Innovation Professionals	Financial Analysts
Information Technology Services	Postal Service Clerks
Information Security Analysts	Credit and Loans Officers
General and Operations Managers	Accountants and Auditors

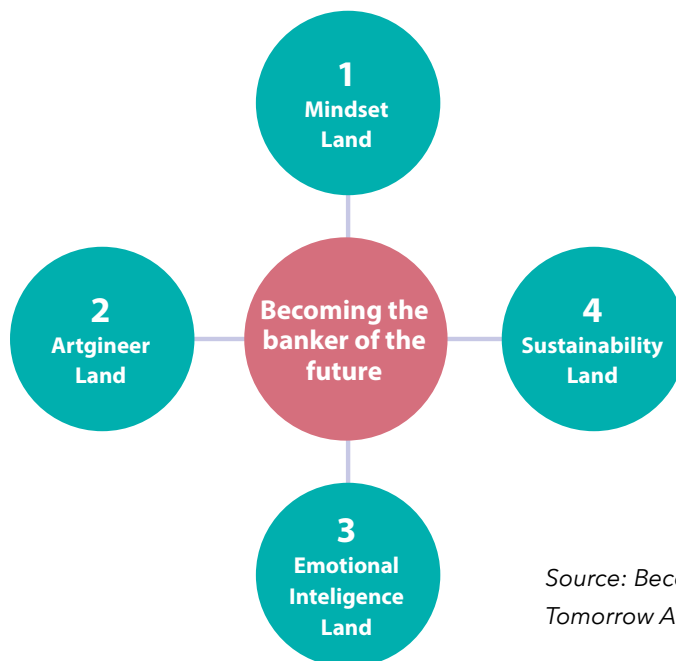
Source: Future of Jobs Report, World Economic Forum, 2018



Digital disruption is changing the **future of bankers' competencies and expectations**. Banks should work on building a culture that ensures bankers ability to work efficiently in a changed environment. By 2025, millennials will make up 72% of the global workforce; their aspirations and attitudes will shape the workplaces of the future (Ernst & Young 2016).

Thus, the ability of commercial banks to succeed in delivering attractive products and services to the customers depends mainly on their competencies. Successful banks will not depend on the best individuals but on the best combination of diverse individuals and teams together. Banks can maximize performance and productivity by transforming the ways they recruit, promote, and form well equipped teams. Despite the importance of technical and financial skills in the market, many leaders and business professionals realize the importance of shifting focus from mainly developing technical and functional skills to other areas such as social skills and emotional intelligence.

According to (KPMG, 2018), becoming the banker of the future requires a four-land model. **The Four-Land Model** describes a journey that all bankers should all go through in order to cultivate and develop the core competencies that each banker should have for tomorrow. It is also based on interviews with dozens of CEOs and top leaders, representing their beliefs regarding the future of business and leadership in the era of complexity and innovation. Subsequently, **the following figure is describing the four-land model:**



Source: *Becoming the Banker of Tomorrow Article, KPMG, 2018*



The four-land model can be interpreted briefly as follow:

1. The Mindset land:

Bankers of the future must move from fixed mindset attitude that resists to changes, tends to stay at the comfort zone, assumes that talents, intelligence, and creativity are static givens to a more flexible and open mindset. Bankers with a flexible mindset believe that their qualifications are not fixed and can be developed by time through hard work and continuous learning and development. These people are always willing to take further steps to acquire new skills and competencies. One of the main reasons behind this is that people with fixed mindset by time will figure out that their value inside their organizations is depreciating.

2. The Artgineer Land:

Bankers of tomorrow ought to be both engineers and artists through being strategic thinkers, analytical, visionary, creative, innovative, relationship driven and passionate about their areas of expertise. Successful Bankers should think outside the box to see the big picture and efficiently prioritize customers 'needs.

These people are very keen to maintain positive relationships with their team members and highly consider building strong relationship with customers, based on mutual trust and respect. Therefore, these Artgineers will be the biggest asset of any bank in the future.

3. The Emotional Intelligence Land:

Emotional intelligence is one of the most critical elements of personal and professional success in the workforce new era. It is an essential predictor of performance and a strong driver of leadership. It can be interpreted as the ability to understand own emotions and the other emotions and to be flexible in a fast-changing environment. Without controlled emotional intelligence, many bankers will find it difficult to achieve their personal and professional goals, mainly as leaders.

For banks to lead in the future, they will need to create a **culture of augmented intelligence**: the best partnership between emotional intelligence and artificial intelligence, the aim of such partnership is to enhance, scale and upgrade human activities. Only bankers with high emotional intelligence will be able to perform well in this new digital environment, as they are aware of their emotions and their thoughts while dealing with various situations. Additionally, they are not afraid to



take risks and step out of the comfort zone and they strive for continuous learning and development.

4. The Sustainability Land:

The competence of sustainability is related to banker's ability to survive and continue in the era of digital transformation, it is about maintaining the success in the long run. In order to achieve sustainable success in the workplace, bankers should be guided with five advices: **First**, the necessity of finding a sense of **Higher Purpose** in both personal and professional life. **Second**, the ability to choose to look at the glass half full (**Optimism**). **Third** is the ability to take full ownership of their career (**Proactive Career Management**). **Fourth** represents the ability to build and maintain a wide network of relationships (**Social Capital**). **Fifth (well-being)**, generally, future bankers should focus on their mental, emotional, physical and spiritual health.

Part Two

New Competencies Framework





A- Definition of Competency and Competency Framework:

The concept of competency can be defined as a set of knowledge, skills, performance behaviors, abilities that are observable and can be measured and evaluated. Competencies enable employees to perform their tasks and responsibilities successfully in a given job which, result in organizational success.

A competency framework is a comprehensive structure which clarifies different competencies applied to multiple occupational roles, and associated with specific set of behavioral indicators and measurement criteria. Most of the organizations have developed their own competency framework aligned with their mission, vision and strategic goals.

Competencies are used to set a benchmark to employees' performance and motivate them to achieve effective and superior performance in their job. It also includes self- discipline, a personal desire and motive to demonstrate effective performance. This concept doesn't only focus on what an employee can accomplish but also on what he can learn and acquire. This forward-looking approach is of high importance for training services providers and recruitment experts.

Competencies are becoming an integral part of the **Human Resources Management** helping HR responsible to understand the real factors leading to superior performance in the workplace. Having a comprehensive competency framework enables HR team to successfully align the staff's skills, knowledge and capabilities with organizational priorities and strategies, resulting in business success. It also helps HR and training specialists in designing the right learning process and training development plan for all staffs.

For employees, it also helps them to better understand their roles and responsibilities inside the organization which in turn help them achieving the desired performance. Competencies enable the organizations' staffs to have a clear understanding of the level of performance expected and the type of behaviors and actions that will be valued, recognized and rewarded.

The US O*NET database classifies the types of competency that employees need for specific occupations. O*NET has classified the importance of 120 individual competencies for a total of 900 individual occupations. These individual skills can be divided into categories and sub-categories. There are three categories of competency: knowledge, skills and abilities. 'Knowledge' and 'skills' are



competencies that employees can acquire through training and/or experience. 'Knowledge' includes both theoretical and practical knowledge of general areas. 'Skills' relate to attributes that promote the acquisition of knowledge and that can be acquired through training. 'Abilities' are attributes that are often instinctive and that cannot therefore be learned; but they can be developed and refined. 'Abilities' also affect the ability of individuals to acquire knowledge and skills, and so influence performance in their occupation (Deloitte, 2017).

A comprehensive well-structured competency framework has several benefits for the organization, that can be summarized as follow:

- Providing clear guidance and expectations that help all employees to work and act in line with the organization values, culture and goals
- Creating a common understanding of desired behaviors and critical success factors within the organization
- Integrating organizational process in the competency framework design, ensure the reflection of the strategic big picture concerns in the daily activities
- Reaching more efficient HR management regarding promotion, compensation, recruitment decisions and capacity building
- Standardizing all communication, assessment and feedback concerning performance
- Providing training programs and professional examinations based on competencies help in closing the skills gap within the organization
- Better analyzing the strengths and weaknesses and addressing the skills gaps within the organization
- Fostering organizational and cultural changes along with staff mobility



B- Core competencies and competitive advantage:

A core competency is a unique skill that creates a unique customer value (Rifas et al.,2016). This is important especially in the banking industry where competition and customers' loyalty cause a challenge to banks management. Organizations depend on core competencies as a main driver to achieve competitive advantage, core competencies include the combination of resources and skills owned as well as the way those resources used to produce outcomes.

Organizations utilize effectively their unique resources including their competencies and skills to enhance their positioning in a competitive market. Once an organization develops its own competency framework, the management has to come up with a plan to depend on the competencies to ensure maximum customer's retention and achieve a great competitive advantage. In order to formulate a successful competency framework, banks should continuously examine, evaluate and control the business, the competitors and the industry to set proper goals and strategies and to overcome barriers on their way to success.

Organizational competencies such as skills and capabilities are used to develop competitive strategies and enhance the customers' appreciation to the products and services offered compared to other competitors' offerings. To acquire competitive advantage, organizations need to deliver the same services as its competitors at lower costs or provide customers with greater services that competitors cannot provide.

Core competencies are not constant and they change over time especially with the rapid technological changes affecting the business environment. Continuous innovation drive banks management to focus on the development of distinct competencies through innovation in technology, leading towards sustainable products, resulting in competitive advantage.



C- New set of competencies for new jobs and roles:

Continuous development of business models is significantly and rapidly changing the employment landscape. This change is impacting various jobs, where it aims at increasing the capabilities of an employee to be able to function in multiple tasks and units. It was expected that, on average, 65 percent of children who are currently enrolled in schools will work in jobs with totally different requirements and qualifications (World Economic Forum, 2016).

Global labor markets are witnessing major transformations; technology is shifting the frontier between tasks performed by humans and tasks performed by machines. These transformations, if managed efficiently, could improve the working environment and create new qualified jobs, if not the risk of skills gap will negatively impact business growth objectives. There are complex relations between jobs, skills and new technology. New technologies can drive business growth, create new roles and increase the demand for digital specialized talent. However, they can also replace entire roles when certain tasks become automated or obsolete. Skills gap among both staffs and leaders can intensify barriers decelerating the adoption of new technologies and impeding business growth.

Technology will not only substitute workforce for machinery, but it will also oblige banks staffs to acquire multiple skills to increase banks productivity and minimize costs. In other words, employees should have the competencies to function in more than one task in the bank instead of the traditional specialization. In the coming years, the ones who will sustain in their positions are only the ones who can do more than one job in the same place, and instead, it should not ever depend on age and seniority. In the same context, banks are also orienting more focus to structure agile teams whose members are coached to think themselves without relying on the management instructions. In an agile team, subordinates are expected to be consulted, instead of being told what to do. Agile teams also consider gender diversity as a main prerequisite for success, it is well noted that inclusion practices are proved to differentiate a bank from its competitors.



As per the World Economic Forum Future of Jobs Report 2018, nearly 50% of companies expect that automation will lead to some reduction in their full-time workforce by 2022, based on the job profiles of their employee base today. In 2018, an average of 71% of total task hours across 12 industries covered in the report are performed by humans, compared to 29% by machines. By 2022 this average is expected to have shifted to 58% task hours performed by humans and 42% by machines. For example, by 2022, 62% of organization's information and data processing and information search and transmission tasks will be performed by machines compared to 46% today

However, 38% of businesses surveyed in the same mentioned report expect automation to extend their workforce to new productivity-enhancing roles, and more than a quarter expect automation to lead to the creation of new roles in their enterprise. Within the set of companies surveyed, representing over 15 million workers in total, current estimates would suggest a decline of 0.98 million jobs and a gain of 1.74 million jobs. Estimates indicate that 75 million jobs may be displaced by a shift in the division of labor between humans and machines, while 133 million new roles may emerge and are more adapted to the new division of labor between humans and machines.

Practically speaking, for instance, it's found in the US, back in 2000, that the US cash equities trading desk at Goldman Sachs's New York headquarters employed 600 traders, and they shrank it today to reach only two equity traders left in their place, in addition to 200 computer engineers support automated trading programs. Digitization has eliminated thousands of hours of human work, previously done by associates typically earning around \$326,000 a year, and hence optimized cost, time and effort. Moreover, in late 2017, Deutsche bank's CEO declared that one of the pillars in his 2020 plan is to cut down 9,000 jobs, representing 10% of the bank's workforce, calling for more machine learning and higher adaptability to digitization (BGLN, 2018).

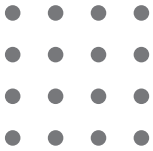
China is considered as another successful model for substituting human capital with machinery, and in particular Dongguan City. For instance, a Chinese factory substituted 90 percent of its workforce with machines, and interestingly enough, this led to a rapid hike in total factor productivity, with an increment of 250 percent increase in productivity, and 80 percent decline in defects. Before this transformation process, 650 employees were hired, and ex-post 60 robot arms came into action, decreasing the number of human capitals to only 60 employees, 3 of which are dedicated to monitoring the production line of robots, and the rest are assigned to monitor computer control systems (World Economic Forum, 2017)



Among the range of established roles enhanced by the use of technology that are mentioned to experience increasing demand in the period up to 2022 are Data Analysts and Scientists, Software and Applications Developers, and E-commerce and Social Media Specialists. Also expected to grow are roles that leverage distinctively 'human' skills, such as Customer Service Workers, Sales and Marketing Professionals, Training and Development, People and Culture, and Organizational Development Specialists as well as Innovation Managers. Moreover, the analysis finds extensive evidence of accelerating demand for a variety of wholly new specialist roles related to understanding and leveraging the latest emerging technologies: AI and Machine Learning Specialists, Big Data Specialists, Process Automation Experts, Information Security Analysts, User Experience and Human-Machine Interaction Designers, Robotics Engineers, and Blockchain Specialists (World Economic Forum, 2018).

In a digital era, competitive advantage is accomplished through accumulating expertise and investing in data technology and software engineering. Growing need to upgrade legacy systems, address regulatory requirements and invest in innovation have been exacerbated with expanding need to acquire flexible and technology talent, all at the same time. In order to achieve this, the needed skills in this context shall include "more data scientists, agile developers, engineers, scrum masters, etc." Despite the importance of technology talent, a recent study found that 62% of senior leaders in the banking industry believe that digital talent gap has been widening in recent years (BGLN, 2018). With banks and financial institutions everywhere pursuing massive digital transformation projects, one common challenge has emerged concerning the unavailability of the right employees to get new digital functions to be done. Digital roles and functions have been created as a repercussion to digital transformation orientation. Some of the digital roles include as per Capgemini Research institute study published in 2017: information security consultant, chief digital information officer, data architect, digital project manager, data engineer, chief customer officer, personal web manager, chief internet of things officer, data scientist, chief analytics officer.

Digital skills are divided to soft and hard digital skills (Capgemini, 2017). Digital soft skills embrace: Customer-centricity, Passion for learning, Collaboration, Data-driven decision-making, Organizational dexterity, Comfort with ambiguity, Entrepreneurial mindset and Change management



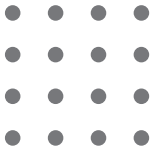
As for the Digital hard skills Capgemini mention: Cybersecurity, Cloud computing, Analytics Web development, Mobile application design and development, Data science, Big data, Master data management, Innovation strategy and User interface design.

Several financial institutions report that they have created new IT roles recently to cope with continuous changes, but they are considering hiring IT staff as a hard objective. Demand for talent now exceeds the supply when it comes to several key roles. However, there are lots of IT talent in the labor market, but globally as per Capgemini Research institute study published in 2017 those people prefer to join the team of giant tech such as Google and Amazon instead of taking a job in a bank or a financial institution. It is also important to highlight that some banks or financial institutions cannot compete in terms of salaries with Google and Amazon to retain qualified top IT talent.

Additionally, IT talent seeks to join organizations that offer better digital skills development opportunities. But in the financial industry, a great percentage of those in tech roles confirm that they are not satisfied with the training programs provided to develop their digital skills (Capgemini, 2017).

In an increasingly digital economy, institutions that bridge the talent gap will enjoy a competitive edge over those who don't. A comprehensive digital talent strategy that matches both business objectives and the needs and preferences of digital talented experts is crucial for a sustainable and successful digital transformation.

It is also well noted that by the end of 2020, the degree of vitality of skills will change, where even if they still exist, some will become more crucial than others, and others will be demanded in a more advanced scheme, respectively (World Economic Forum, 2016). Skills continuing to grow in prominence by 2022 include analytical thinking and innovation as well as active learning. Precisely, increasing importance of skills such as technology design and programming highlights the growing demand for various forms of technology competency. Proficiency in new technologies is only one part of the 2022 skills equation, however, as 'human' skills such as creativity, originality and initiative, critical thinking, persuasion and negotiation will likewise retain or increase their value. In addition to attention to detail, resilience, flexibility and complex problem-solving. Emotional intelligence, leadership and social influence as well as service orientation also see an outsized increase in demand relative to their current prominence (World Economic Forum, 2018). The following table include the most important workforce skills in 2018 and the expected trending and declining trends in 2022.



Top comparing skills demand, 2018 vs. 2022		
2018	Trending, 2022	Declining, 2022
Analytical thinking and innovation	Analytical thinking and innovation	Manual dexterity, endurance and precision
Complex problem-solving	Active learning and learning strategies	Memory, verbal, auditory and spatial abilities
Critical thinking and analysis	Creativity, originality and initiative	Management of financial, material resources
Active learning and learning strategies	Technology design and programming	Technology installation and maintenance
Creativity, originality and initiative	Critical thinking and analysis	Reading, writing, math and active listening
Attention to detail, trustworthiness	Complex problem-solving	Management of personnel
Emotional intelligence	Leadership and social influence	Quality control and safety awareness
Reasoning, problem-solving and ideation	Emotional intelligence	Coordination and time management
Leadership and social influence	Reasoning, problem-solving and ideation	Visual, auditory and speech abilities
Coordination and time management	Systems analysis and evaluation	Technology use, monitoring and control

Source: Future of Jobs Report, World Economic Forum, 2018

As for the skills which are tailored for the banking sector, the Institute of Banking and Finance Singapore pinpointed some essential skills needed for guaranteeing successful transformation, namely the following:

1. Computational Thinking: Develop and use computational models, tools and techniques to interpret and understand data, solve problems and guide decision-making.
2. Virtual collaboration: Use online collaborative communication tools to work as teams to accomplish tasks or projects.
3. Transdisciplinary Thinking: Understanding of concepts across multiple disciplines, with the capacity to synthesize the knowledge and insights to guide decisions and foster cooperation.
4. Sense Making: Organize and analyze data and information accurately to identify relationships and detect patterns and trends to gain insights for decision-making.
5. Resource Management: Efficient and effective deployment and allocation of resources when and where they are needed. Include planning, allocating and scheduling of resources to tasks, which typically include manpower, machines, money and materials.
6. Managing Diversity: Work well with people from different ethnic, social, cultural and educational backgrounds and understand the concerns and interests of diverse work groups.
7. Interpersonal Skills: Manage relationships efficiently and communicate with others effectively to achieve mutual consensus and outcomes.

Part Three

Future of Competencies and
Skills Survey
Egyptian Banking Sector Case





A- Egyptian Banking Institute Future Competencies and Skills Survey Background:

Considering the crucial role of Human Resources professionals in developing the workforce of the future, a survey was designed and distributed among HR leaders in all Egyptian banks to receive their insights and vision towards the competencies, skills and roles that will be more essential in the banking industry in the future.

The Survey was disseminated among the Human Resources Directors of 39 banks in Egypt. The Total responses collected were 33 responses (85% response rate), with a completion rate of 100 % (no questions were skipped or not answered), and the average time spent to answer the Survey was 17 min 37 sec.

The Survey includes 11 questions serving the main objective, and the type of questions varies between multiple choices, check boxes, and ratings.

B- Survey Results and Analysis:

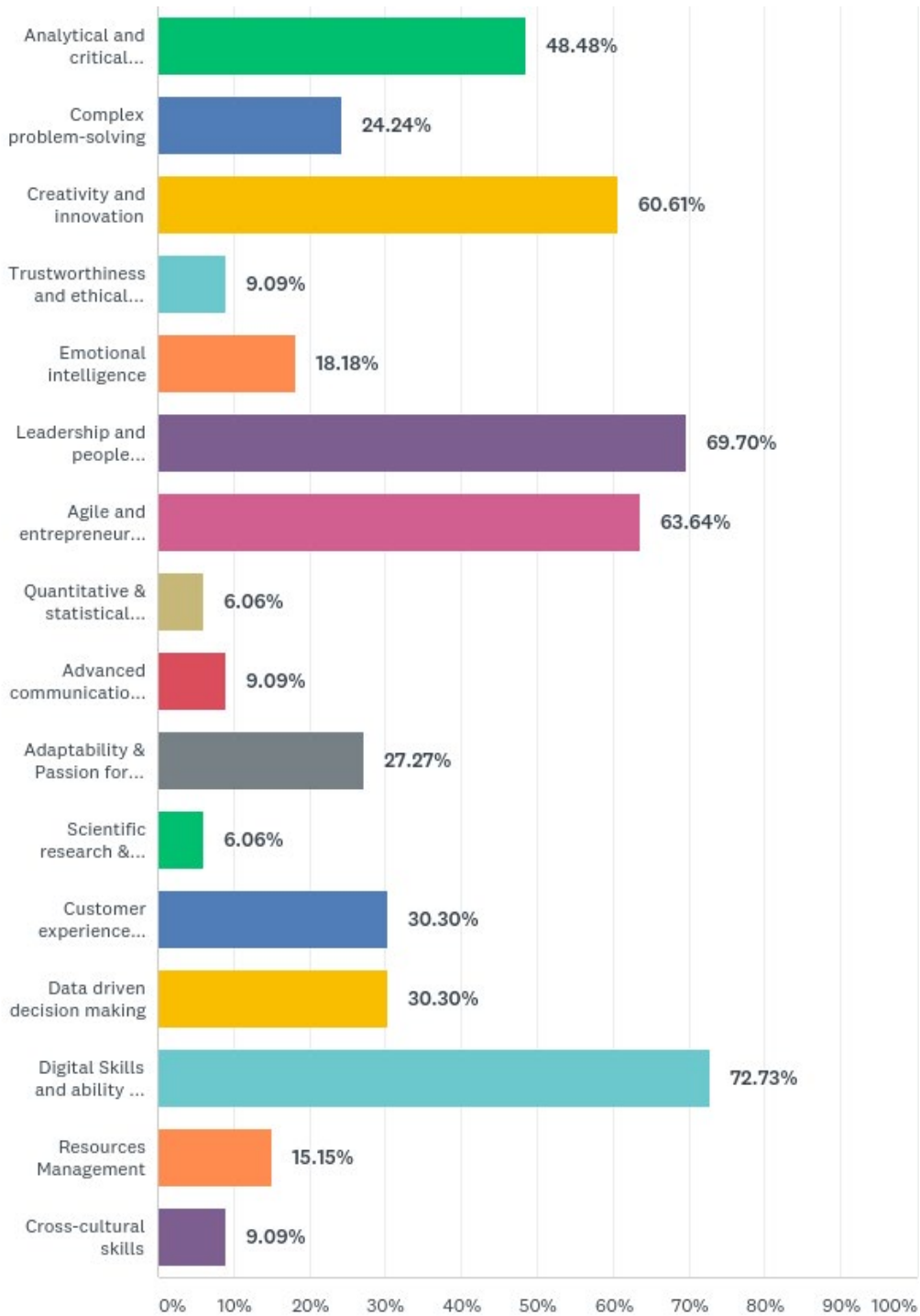
Question 1: HR directors were asked to select the most important 5 skills among a list of 16 skills that their banks' staff should acquire in the future to cope with continuous changes. List 1 includes the alternative set of skills presented and chart (1) shows the percentage of respondents listing each skill reference to its importance for their employees in the future.

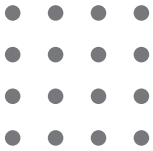
List 1: Alternative set of skills of the future

1. Analytical and critical thinking	9. Advanced communication & negotiation skills
2. Complex problem-solving	10. Adaptability & Passion for learning
3. Creativity and innovation	11. Scientific research & development
4. Trustworthiness and ethical considerations	12. Customer experience skills
5. Emotional intelligence	13. Data driven decision making
6. Leadership and people management	14. Digital Skills and ability to use technology
7. Agile and entrepreneurial thinking	15. Resources Management
8. Quantitative & statistical skills	16. Cross-cultural skills



Chart (1): Top 5 Skills





As per the mentioned chart (1), the top five skills selected were:

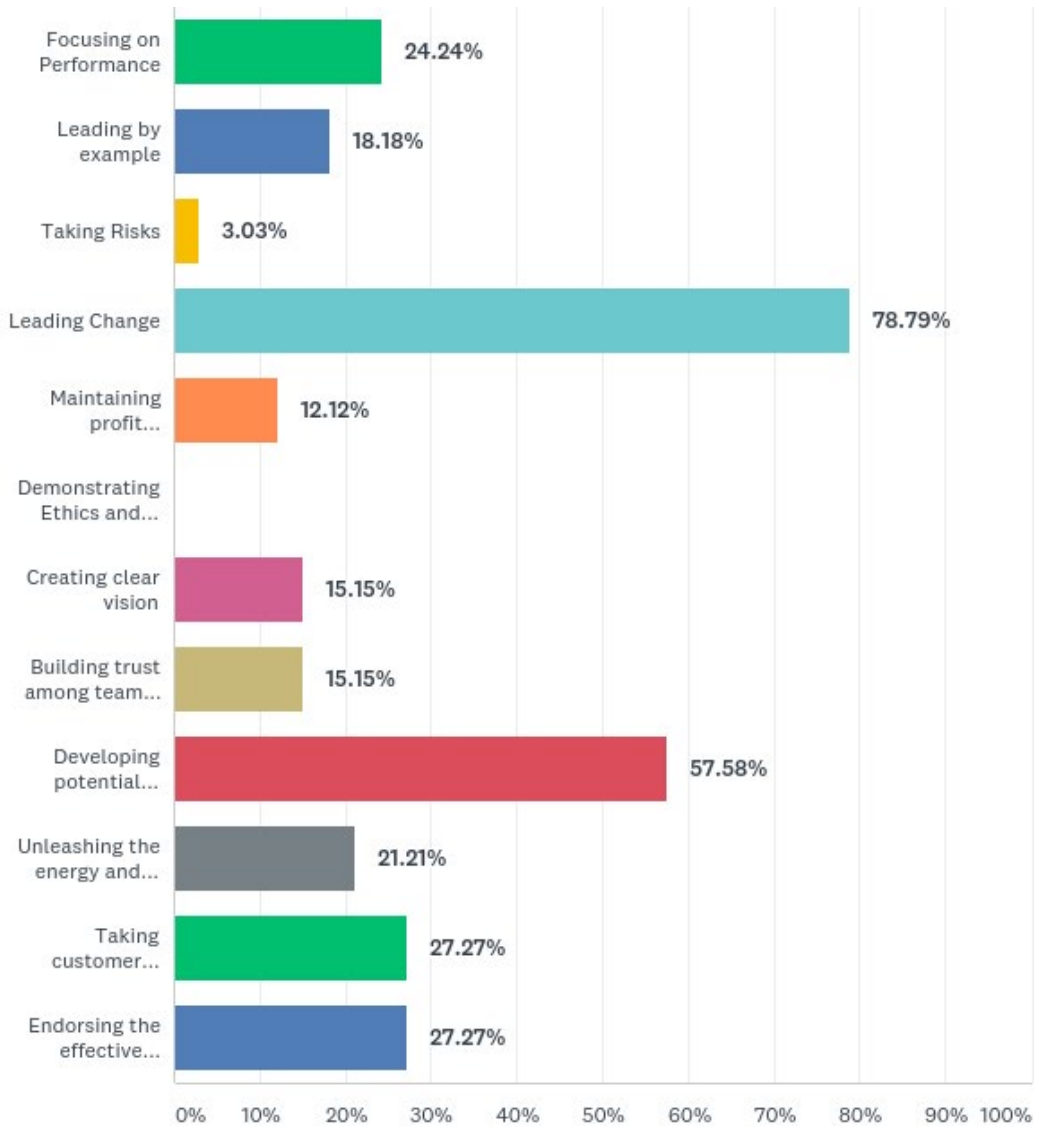
1. Digital Skills and ability to use technology
2. Leadership and people management
3. Agile and entrepreneurial thinking
4. Creativity and innovation
5. Analytical and critical thinking

Question 2: The respondents were asked to select the top 3 leadership behaviors from a list of 12 choices that they highly consider in their bank for the future. List 2 includes the alternatives of leadership behaviors needed for the future and chart (2) shows the percentage of respondents listing each choice reference to its importance for their leaders in the future.

List 2: Alternative set of leadership behaviors of the future	
1. Focusing on Performance	7. Creating clear vision
2. Leading by example	8. Building trust among team members
3. Taking Risks	9. Developing potential successors
4. Leading Change	10. Unleashing the energy and creativity among team members
5. Maintaining profit orientation	11. Taking customer centricity to the next level
6. Demonstrating Ethics and Integrity	12. Endorsing the effective implementation of advanced technologies



Chart (2): Top 3 Leadership Behaviors





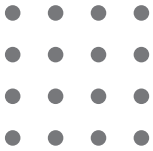
As per the mentioned chart (2), the top 3 leadership behaviors selected were:

1. Leading Change
2. Developing potential successors
3. The Third Leadership behavior percentage was equally distributed between two choices: Taking customer centricity to the next level and endorsing the effective implementation of advanced technologies.

Question 3: The respondents were asked to assess from a list of trends whether each trend/objective is expected to be covered by the bank’s staff competency level or it will need higher competency level (skills gap). From 8 selected trends, HR directors have assessed in the following table (1) the consequences of the competency need in each trend/objective separately.

Table (1): Industry Trends and Competency Needs

	COVERED BY THE BANK'S COMPETENCY LEVEL	SKILLS GAP	TOTAL RESPONDENTS
Expanding advanced technologies and digital solutions	48.48% 16	57.58% 19	33
Enhancing customer experience	66.67% 22	36.36% 12	33
Improving data analytics capabilities	39.39% 13	63.64% 21	33
Building partnership between the bank and FinTech firms	48.48% 16	51.52% 17	33
Responding to regulatory changes and meeting compliance requirements	90.91% 30	15.15% 5	33
Achieving financial inclusion objectives	78.79% 26	27.27% 9	33
Enhancing security controls and cybersecurity tools	72.73% 24	30.30% 10	33
Protecting customer interest, facilitating secure exchange of customer data with third party ecosystems	75.76% 25	30.30% 10	33



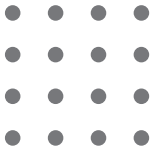
From table (1) results, the mentioned trends can be categorized as follow:

Trends expected to be covered by the bank's competency level:

- Enhancing customer experience.
- Responding to regulatory changes and meeting compliance requirements.
- Achieving financial inclusion objectives.
- Enhancing security controls and cybersecurity tools.
- Protecting customer interest, facilitating secure exchange of customer data with third party ecosystems.

The main trends that will need higher competency level (skills gap) are:

- Expanding advanced technologies and digital solutions.
- Improving data analytics capabilities.
- Building partnership between the bank and FinTech firms.



Question 4: Respondents were asked to rank a number of digital trends that will require higher competencies in the future from most important to least important.

Table (2): Digital Trends with greatest impact on competency needs

	1	2	3	4	5	6	7	8	9	TOTAL	SCORE
Cybersecurity (protection against criminal and unauthorized use of electronic data)	30.30% 10	27.27% 9	15.15% 5	3.03% 1	9.09% 3	3.03% 1	3.03% 1	3.03% 1	6.06% 2	33	6.94
Big data management (extremely large data sets that are analyzed computationally to reveal patterns and trends related to human behaviors and interactions)	24.24% 8	21.21% 7	15.15% 5	6.06% 2	12.12% 4	6.06% 2	9.09% 3	6.06% 2	0.00% 0	33	6.55
Internet of things and cloud storage (everything is online, everything gets sensors, all data available online 24/7)	0.00% 0	12.12% 4	18.18% 6	18.18% 6	12.12% 4	15.15% 5	3.03% 1	9.09% 3	12.12% 4	33	4.94
Artificial Intelligence Learning (the development of computer systems able to perform tasks normally requiring human intelligence)	15.15% 5	6.06% 2	15.15% 5	30.30% 10	6.06% 2	3.03% 1	15.15% 5	3.03% 1	6.06% 2	33	5.73
Data etiquette and digital ethics (Utilizing available data to make an informed assessment about the client whilst having the sensitivity to know when and how to use it)	9.09% 3	3.03% 1	6.06% 2	6.06% 2	24.24% 8	18.18% 6	15.15% 5	12.12% 4	6.06% 2	33	4.55
Social networking skills (through social media sites such as Facebook, Twitter and LinkedIn)	0.00% 0	0.00% 0	0.00% 0	9.09% 3	3.03% 1	36.36% 12	15.15% 5	15.15% 5	21.21% 7	33	3.12
Mobile banking application development and software maintenance	9.09% 3	15.15% 5	12.12% 4	15.15% 5	6.06% 2	3.03% 1	33.33% 11	6.06% 2	0.00% 0	33	5.33
Blockchain technology	0.00% 0	9.09% 3	12.12% 4	6.06% 2	18.18% 6	9.09% 3	0.00% 0	39.39% 13	6.06% 2	33	4.06
Digital branches formulation	12.12% 4	6.06% 2	6.06% 2	6.06% 2	9.09% 3	6.06% 2	6.06% 2	6.06% 2	42.42% 14	33	3.79



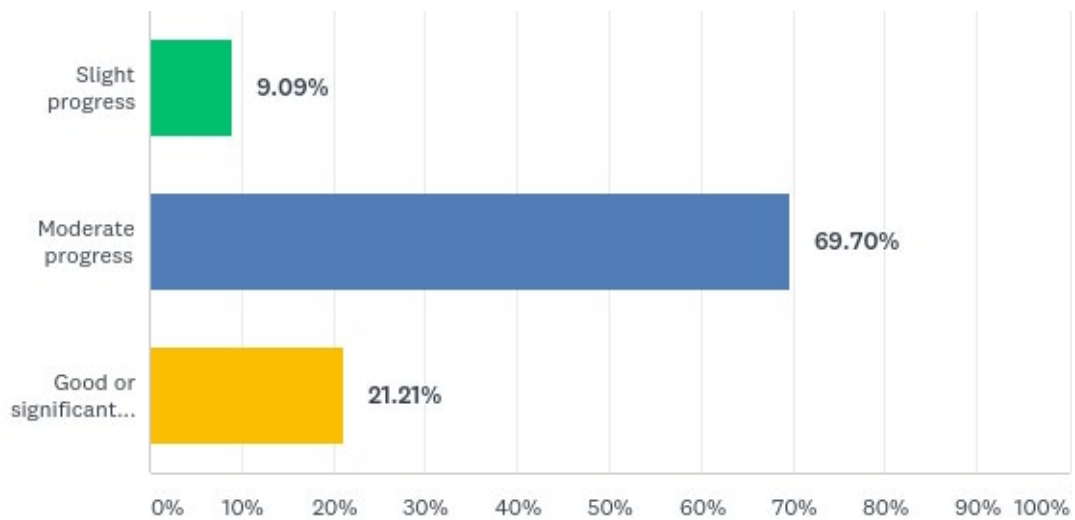
Based on the respondent's rankings, we can notice that the overall ranking from most important to least important digital trends requiring higher competencies in the future can be analyzed as follow:

- 1- Cybersecurity (protection against criminal and unauthorized use of electronic data).
- 2- Big data management (extremely large data sets that are analyzed computationally to reveal patterns and trends related to human behaviors and interactions).
- 3- Artificial Intelligence Learning (the development of computer systems able to perform tasks normally requiring human intelligence).
- 4- Mobile banking application development and software maintenance.
- 5- Internet of things and cloud storage (everything is online; everything gets sensors, all data available online 24/7).
- 6- Data etiquette and digital ethics (Utilizing available data to make an informed assessment about the client whilst having the sensitivity to know when and how to use it).
- 7- Blockchain technology.
- 8- Digital branches formulation.
- 9- Social networking skills (through social media sites such as Facebook, Twitter and LinkedIn).



Question 5: Respondents were asked to determine the level of progress that have been made towards the goals of building a workforce to meet future business objectives.

Chart (3): Progress Towards Building the Workforce of the future



As clarified in chart (3), 69.70 % of the respondents made moderate progress toward building a workforce to meet future business objectives, 21.21 % made good or significant progress and only 9.09% made a slight progress. As we can notice, the majority of HR leaders in Egyptian banks are deploying efforts to develop the workforce to meet future goals and are making moderate progress to cope with continuous waves of change.



Question 6: Respondents were asked to determine the major obstacles to achieving their goals of building a workforce to meet future business objectives.

Table (3): Obstacles facing Building the Workforce of the Future

ANSWER CHOICES	RESPONSES	
Lack of leadership support	9.09%	3
Lack of adequate technology	39.39%	13
Lack of skilled talent	54.55%	18
Lack of digital skills	57.58%	19
Lack of employee loyalty	21.21%	7
Lack of engaged employees	21.21%	7
Lack of internal resources	27.27%	9
Total Respondents: 33		

The analysis in table (3) showed that the lack of skilled talent especially digital skills are the main obstacles facing Egyptian banks to build the workforce of the future, in addition to the lack of adequate technology.



Question 7: The respondents were asked to identify the type of strategy they should adopt in order to fulfill competencies need.

Table (4): Strategies fulfilling competencies needs

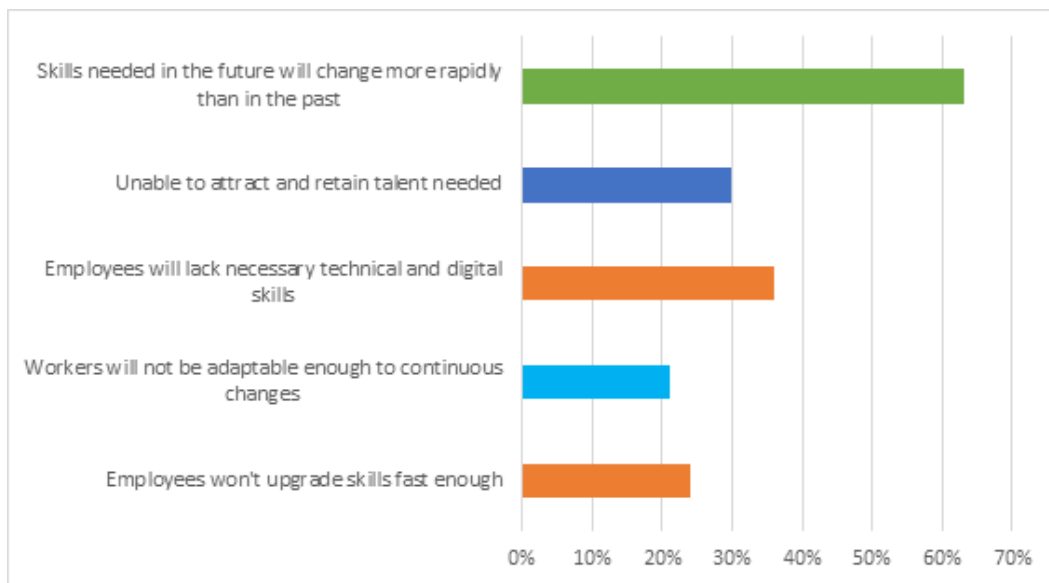
ANSWER CHOICES	RESPONSES	
Developing current employees	66.67%	22
Hiring consultants	12.12%	4
Outsourcing tasks	18.18%	6
Recruiting new employees	30.30%	10
Implementing new technology	54.55%	18
Developing Leaders	69.70%	23
Applying effective resources management	21.21%	7
Redesigning system or process	57.58%	19
Improving employee engagement	48.48%	16
Sticking to core business	3.03%	1
Participating in corporate social responsibility activities	12.12%	4
Breaking into new markets	21.21%	7
Total Respondents: 33		

Table (4) results showed that developing leaders and current employees are the most important selected strategies by HR leaders to fulfill competencies need and manage skills gap. In addition to redesigning system or process and implementing new technologies as well.



Question 8: Respondents were asked to determine their biggest concerns regarding their bank's skills needs in the future.

Chart (4): Developing Bank's Skills Needs Concerns



As per chart (4) analysis, the main biggest concerns facing HR directors regarding future skills needs are that the skills in the future will change rapidly than in the past and that their employees may lack necessary technical and digital skills. Additionally, they are expecting talent retention to be difficult.



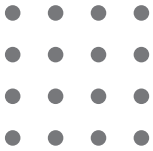
Questions 9: Respondents were asked to rank from most important to least important the labor market shifts affecting workforce strategy in their banks.

Table (5): Significant Labor Market Shifts

	1	2	3	4	5	6	TOTAL	SCORE
Decrease labor supply	9.09% 3	15.15% 5	18.18% 6	21.21% 7	21.21% 7	15.15% 5	33	3.24
Millennials entering the workforce	18.18% 6	21.21% 7	30.30% 10	12.12% 4	15.15% 5	3.03% 1	33	4.06
Difficulty recruiting employees with the needed skills	24.24% 8	9.09% 3	21.21% 7	9.09% 3	21.21% 7	15.15% 5	33	3.61
Aging workforce	12.12% 4	12.12% 4	12.12% 4	24.24% 8	12.12% 4	27.27% 9	33	3.06
Lack of second line in the hierarchy of the bank	18.18% 6	27.27% 9	15.15% 5	18.18% 6	21.21% 7	0.00% 0	33	4.03
Increasing number of turnovers	18.18% 6	15.15% 5	3.03% 1	15.15% 5	9.09% 3	39.39% 13	33	3.00

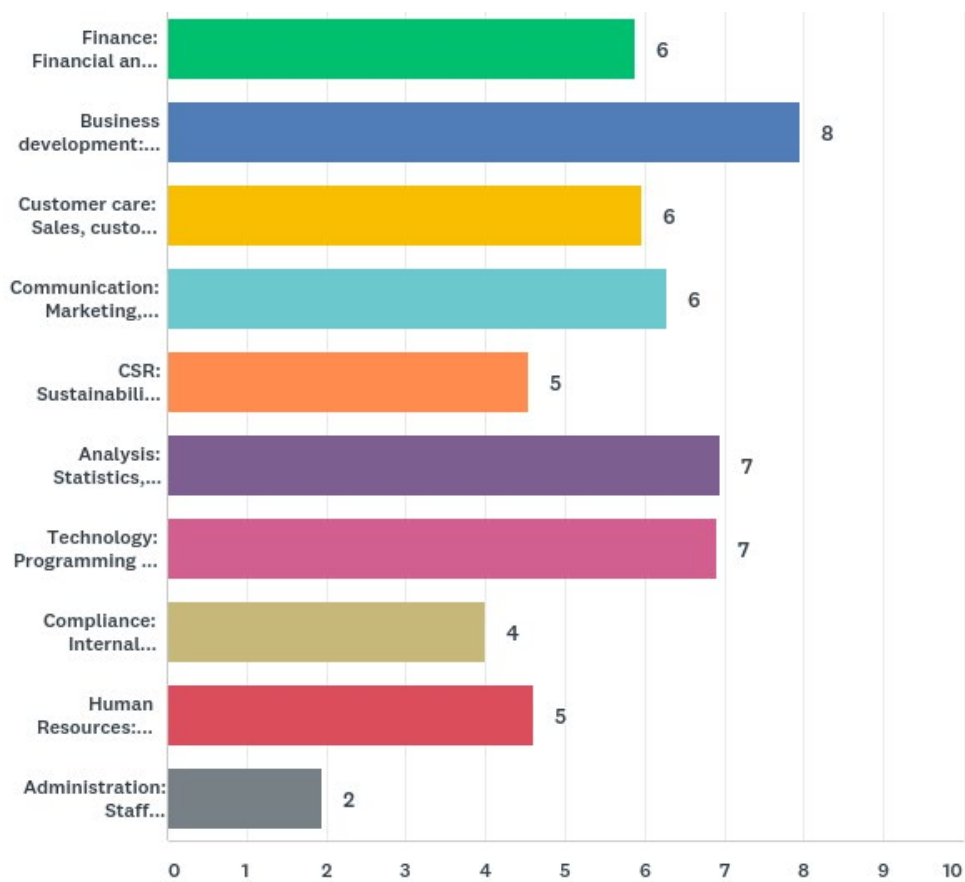
Based on the respondent’s rankings in table (5), we can notice that the overall ranking for the labor market shifts affecting workforce is:

- 1- Millennials entering the workforce.
- 2- Lack of second line in the hierarchy of the bank.
- 3- Difficulty recruiting employees with the needed skills.
- 4- Decrease labor supply.
- 5- Aging workforce.
- 6- Increasing number of turnovers.



Question 10: Respondents were asked to rank the areas of expertise that are expected to change in the future in their opinion from the most important to the least important.

Chart (5): Areas of Expertise Changes



Based on the respondent's rankings in chart (5), we can notice that the overall ranking for the areas of expertise that are expected to change in the future is:

- 1- Business development: Strategy, product and service development, digitalization and innovation.
- 2- Analysis: Statistics, mathematics, big data, databases.
- 3- Technology: Programming and IT development, IT operations, IT security and cybersecurity.
- 4- Communication: Marketing, Branding, Advertising.



- 5- Customer care: Sales, customer service, follow-up of customers.
- 6- Finance: Financial and economic management, budgeting, accounting, auditing.
- 7- Human Resources: Personnel management, recruitment, employer branding and talent development.
- 8- CSR: Sustainability and social responsibility.
- 9- Compliance: Internal Control and Risk Management.
- 10- Administration: Staff functions, purchasing and support.



Question 11: Respondents were asked to choose the types of workforce that are difficult to recruit /retain or are particularly lacking in the labor market to meet future business objectives.

Table (6): Recruitment and Retention Challenges/ Types of Employees

ANSWER CHOICES	RESPONSES	
IT system developers and programmers	72.73%	24
Compliance and internal control employees	24.24%	8
Business Advisors	12.12%	4
Managers and middle managers	30.30%	10
Specialists in investment and credit	15.15%	5
Private customer Advisors	12.12%	4
Analysts and statisticians	33.33%	11
Product and business developers	51.52%	17
IT operations and support staff	24.24%	8
Accounting and other administrative staff	3.03%	1
Customer support and call centers	6.06%	2
HR professionals	21.21%	7
Marketing and communication staff	9.09%	3
Specialists in sustainability	12.12%	4
Executive officers	24.24%	8
Finance specialists	6.06%	2
Sales Specialists	0.00%	0
Tellers and customer service officers	15.15%	5
Retail specialists	0.00%	0
Total Respondents: 33		

As per table (6) analysis, IT system programmers & developers, product and business developers as well as analytics & statisticians are considered to be difficult to recruit and to retain in the future.



C- Significance of the survey and future measures

- To summarize the survey's most important results, it is noticed that coping with changes and applying advanced technologies are considered to be top priorities for Egyptian HR Leaders in different banks. Egyptian HR leaders considered digital skills, leadership, agile thinking, innovation as well as analytical thinking as the most important skills need to be acquired by their employees to be ready for the future. The vision of Egyptian HR leaders is almost similar to the global expectation of the trending skills in 2022 as mentioned in 2018 world economic forum jobs report. As for the most crucial leaders' behaviors, they listed leading changes, developing successors, implementing advanced technologies and customer centricity focus as the most important traits to be acquired by their leaders to cope with continuous changes in the future.
- The survey analysis demonstrates that the lack of skilled talent especially digital skills are the main obstacles facing Egyptian banks to build the workforce of the future. In response, Egyptian HR leaders selected the leaders and employees' skills development as a main strategy to fulfill the competencies need.
- Cybersecurity, big data management as well as Artificial Intelligence learning are the most important digital trends that will require higher competencies in the future as mentioned by Egyptian Banks HR leaders. IT system programmers & developers, analytics & statisticians as well as product and business developers are considered to be difficult to recruit and to retain in the future. Additionally, Business development, analytics, technology and communication and customer care are the main areas of expertise that are expected to witness change in the future.
- Employees and their competencies are key factors of success now and in the future. The results are interesting and reflect the HR leaders insights regarding the competencies and the future skills needed by banks. The results have the potential to help both the banking sector and educational institutions to improve their knowledge of the present competencies and skills, and find a solution to mitigate the gap to meet the future skills required and business needs. Developing competencies is a continuous process; therefore, another survey can be done after few years, to measure the continuous progress and change in developing future competencies and skills in the banking sector.

Concluding Remarks and Recommendations





Concluding Remarks:

In this changing environment, organizations are working hard to effectively utilize their unique resources including their competencies and skills to enhance their positioning in a competitive market. Once an organization develops its own competency framework, the management has to come up with a plan to depend on the competencies to ensure maximum customer's retention and achieve a great competitive advantage. In order to formulate a successful competency framework, banks should continuously examine, evaluate and control the business, the competitors and the industry to set proper goals and strategies and to overcome barriers on their way to success.

Core competencies are not constant and they change over time especially with the rapid technological changes affecting the business environment. Continuous innovation drive banks management to focus on the development of distinct competencies through innovation in technology, leading towards sustainable products, resulting in competitive advantage.

Competencies should be the adhesive that links business objectives with individual and organizational performance goals. Employee performance won't meet the ever-changing needs of the business until employers figure out how to unify and synchronize business goals with competencies and skills development. Competencies and skills must be integrated across employees' life cycle phases: talent management processes, learning, performance management, career development, and succession planning. Achieving business objectives and fulfilling competencies future needs should be done in the context of effective communication between business leaders and all employees.

Recommendations:

Having a comprehensive competency framework enables leaders and HR team to successfully align the staff's skills, knowledge and capabilities with organizational priorities and strategies, resulting in business success. For employees, it also helps them to better understand their roles and responsibilities inside the organization which in turn help them achieving the desired performance. Taking this issue into consideration results in designing the right learning process and training development plan for all staffs.

In this context, we have summarized the following suggested set of recommendations that can be applied by both individuals and organizations to achieve desired results.



On Individual Level:

- A mindset of agile learning or “Growth Mindset”: Bankers of the future will need to be adaptable lifelong learners. They will increasingly be called upon to continually reassess the skills they need, and quickly put together the right resources to develop and update their capabilities and general performance.
- Technology will not only substitute workforce for machinery, but it will also oblige banks staffs to acquire multiple skills to increase banks productivity and minimize costs. To sustain their positions, each worker has to acquire a mix of skills, to be “multiskilled” and to be able to do more than one job in the same place.

Therefore, each worker is advised to effectively manage his/her own career to be ready for the future by following several steps such as:

- 1- Identify his/her own strengths and competencies and find the way to maintain and enhance them.
- 2- Write down a clear plan with reasonable goals related to their careers to be achieved in the short and long run.
- 3- Be pro-active and consider change as a good opportunity for development and as a potential chance to enhanced career path.
- 4- Regularly improve and develop their skills through reading, attending training courses and acquiring global professional certificates. Employees can take advantage of technology and E-learning services expansion to access a wide type of online courses and online references; in order to gain more knowledge and practical skills in diversified fields.

On Organization Level

- Business leaders should dedicate significant efforts to formulate a comprehensive workforce strategy, to meet the challenges of the new era. This strategy should be aligned with the objective of benefiting from technology adoption to complement and enhance human workforces’ potentials and strengths. In this context, leaders have to identify how technology is redesigning work, customer experience, productivity and enable a focus on more value-added tasks.
- Building the future of work requires sophisticated workforce planning and predictive analytics to plan for talent in different future scenarios.
- Human resources professionals should reconsider traditional methods for identifying critical skills, as well as selecting and developing talent. HR



professionals has to highly consider talent retention and to focus on updating the needed skills to achieve sustainable success. Updated training and learning development plans will be required to re and upskill all employees in different levels based on future analysis of the competencies and skills needs.

Therefore, all employers need to apply an effective competency-based approach with the aim of enhancing employee's productivity and attracting the right talent to meet business changing needs. This can be done while taking into consideration several steps such as:

- Ensure that core competencies are clear, transparent, and communicated to all employees, and that the development of competencies is continually improved.
- Define and incorporate specific competencies for critical roles such as leader, manager, HR professional, researcher, etc.
- Make sure that all managers are proficient, so that they can coach employees effectively and consistency to develop the needed skills and competencies.
- Provide necessary and sufficient training for leaders, HR responsible and competency developers to support competency -based approach successful implementation.
- Include the set of competencies in the individual development plans IDPs for every employee, which enable and motivate all staffs to improve their performance and help the business.
- Directly align career growth with competencies and skills.
- Assess competencies and skills regularly to prioritize learning and help monitor progress.
- Improve assessments' tools implemented within the organization -during the hiring process and post hire- to well determine employees' strengths and development areas.
- Provide training aligned with the needed competencies and skills.
- Continually update information technology systems to help in the assessment and development of the needed competencies.



Managing Digital skills Gap:

Reference to the high importance of the digital skills in the labor market in general and in the financial & banking sectors specifically, several strategies have been put in place to develop and retain IT professionals and to solve the digital talent challenge.

Responding to new technologies and trends disrupting business models and jobs landscape, the skills required to perform most of jobs will significantly shift. Consequently, additional training and learning activities will be required to re and upskill all employees in different levels.

In order to attract, develop and retain the needed digital talent to achieve a sustainable successful digital transformation, it is recommended that business leaders take into consideration the following steps:

- Considering the digital talent unique needs and acknowledging a comprehensive digital talent strategy.
- Applying advanced recruitment approach.
- Redesigning the jobs and compensation framework.
- Planning a clear motivational career development path.
- Creating an environment that prioritizes and rewards continuous learning.
- Providing an agile and collaborative way of working.
- Allocating more financial resources to update & develop information technology systems and tools.
- Giving digital talent the power to implement change and engage them in the decision-making process.



New Era of Learning & Development.....

New technologies are making continuing training increasingly important. To remain competitive, organizations need to drive changes with the support of appropriately skilled employees. Organizations should therefore recognize the importance of continuing training within their corporate culture and performance assessment arrangements.

Ongoing investments in workforce skills development is therefore central for the organization's success and growth. Even where organizations invest in further training for employees who then resign, which might seem to represent wasted expenditure, it is vital that they should remain able to attract, retain and develop highly talented staff. This will improve both the relevance of training provision and employee motivation.

In this new complicated world, knowledge is power and information is power. Helping staffs learn, innovate and share knowledge is one of the building blocks of organizational success in a competitive world. Learning and Development (L&D) is not only considered as an HR function but as a key priority for business leaders, including the top management and CEOs. L&D professionals around the world are investing heavily in the latest technologies to make learning more "available" and "accessible", anywhere and anytime. Top management is concerned about what and how their people learn, to ensure they exceed productivity expectations like never before. New-age learning is not just about knowledge dissemination, it is about creating an engaging and immersive learning experience.

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