



What's next in digital upskilling for the Financial services sector?

Findings from PwC Vietnam's
Digital Readiness Survey 2020



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1 Leaders of the digital agenda



Leading the nation's digital agenda

Industry 4.0 is no longer a choice; it is an inevitable development trend for businesses, consumers and society. Following the State Bank of Vietnam's plan for digital transformation by 2025¹, the financial services (FS) industry has been designated to take a pioneering role in establishing a fully digitised, human-centered system. And it has since become a frontrunner in the race towards digital transformation in Vietnam.

Due to the COVID-19 pandemic, Vietnam's FS sector has experienced significant disruption. However, looking at 2025, the overall e-Conomy will likely reach US \$52B in value, re-accelerating to around 29% CAGR, the adoption of digital technologies is likely to continue to accelerate in the coming years².

Vietnamese banks are pursuing different orientations to digital banking, notable examples include Vietcombank, TPBank and Techcombank are those involved in the digitalisation of an existing bank; while another example is VPBank with the release of the digital-only bank Timo, as well as the recently-launched YOLO. Following a clear plan for digital transformation set by the State Bank of Vietnam, it is highly likely that the banking sector will continue to see increasing investments in the future.



This FS report is an extract from PwC Vietnam's Digital Readiness Survey which was conducted in late 2020. The results of the questions we asked on technology, jobs and skills reflect a future of work fraught with:

- Lurking disruptions caused by advanced technological developments, and
- Constant re-evaluation of skills to stay relevant in the market.

As such, there is an incredible opportunity for growth in Vietnam's FS sector. As greater financial inclusion is achieved, more firms will seek to continuously upskill internal talents in order to remain competitive in the future.

¹ Vietnam News - SBV approves plan for digital transformation by 2025 with a vision to 2030, 2021

² Google - e-Conomy SEA Report, 2020



Technology is rapidly reshaping the financial services workforce. To deploy technology successfully, organisations in the FS sector will need to start paying more attention to how humans and digital labour can work alongside each other.

Dinh Hong Hanh
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Disruptions are right around the corner



FS sector shows optimism about the future

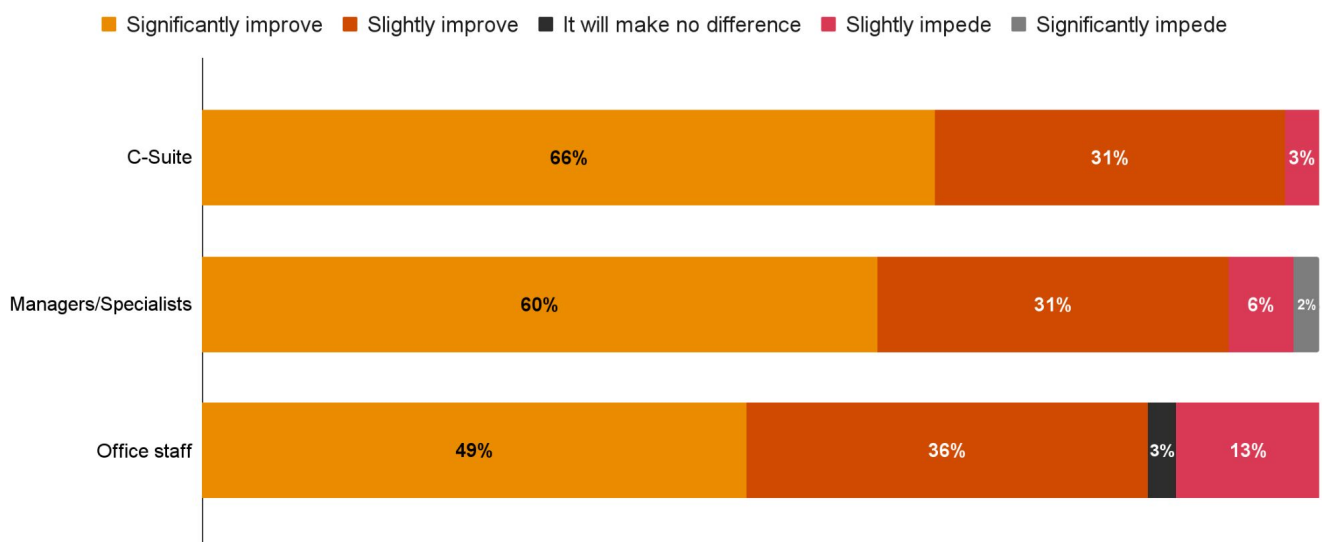
97%

of C-Suite members of the FS sector believe that technology will greatly improve their future employability.

This finding shows a welcoming sign that FS leaders are viewing digital changes as positive opportunities that can effectively enhance their job prospects in the future.

On the other hand, office employees and staff are quite more worried that technology will impede their future employability. This resonates with [WEF's Future of Work](#) report³ which outlines several jobs that will be made redundant by technology in the future, including: financial analysts, data entry clerks and bank tellers.

Q: Do you think that technological developments will improve or impede your job prospects in the future?



³ World Economic Forum - [The Future of Jobs Report, 2020](#)

Yet many FS employees think their job is at risk

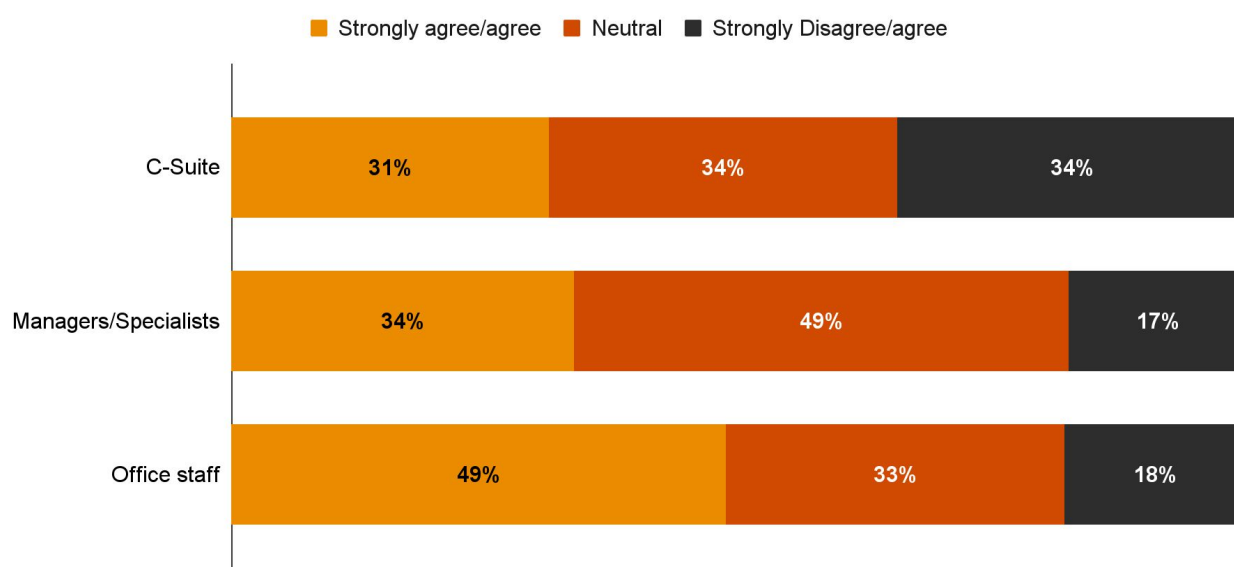
49%

of office staff in this sector express strong concerns about job security caused by automation.

This group of workers, including positions such as bank tellers and administrators, exhibits the highest level of job risk fears, partially caused by the fact that their tasks are generally routine work and can be improved or replaced by machines and automation.

On the other hand, C-level members of the FS have a more balanced view on the threat of automation. This neutral reaction can be attributed to their confidence in their tasks, which require a great deal of direct human-to-human interaction and other soft skills.

Q: How much do you agree or disagree with the following statement: “I am worried that automation is putting jobs at risk.”?



With FS leaders actively aware of upcoming disruptions ...

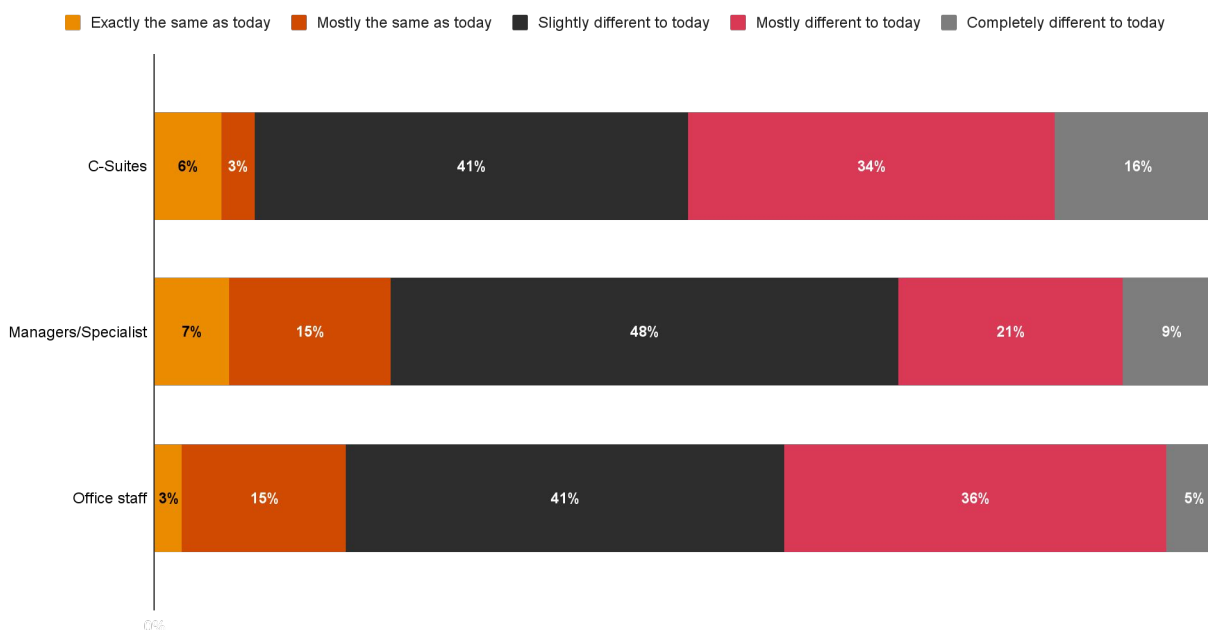
50%

of top management and C-Suite members of the FS industry anticipate serious changes to their jobs in 10 years' time.

FS leaders anticipate pressing changes with 50% of them believe that their job will be mostly or completely different in 10 years' time, as compared to other job levels (Managers/Specialists - 30% and Office staff - 41%).

As leaders and top decision makers of this sector, these members of the C-Suite are aware of the potential disruptions brought about by technological changes in the future. This correlates with the global trend as nearly half of CEOs around the world are planning increases of 10% or more in their long-term digital investments⁴.

Q: "Thinking about somebody doing the job you have now but in 10 years' time, how do you think it will change?"



⁴ PwC - 24th Global CEO Survey, 2021



... it is not surprising that the FS sector is emphasising digital skills over soft skills

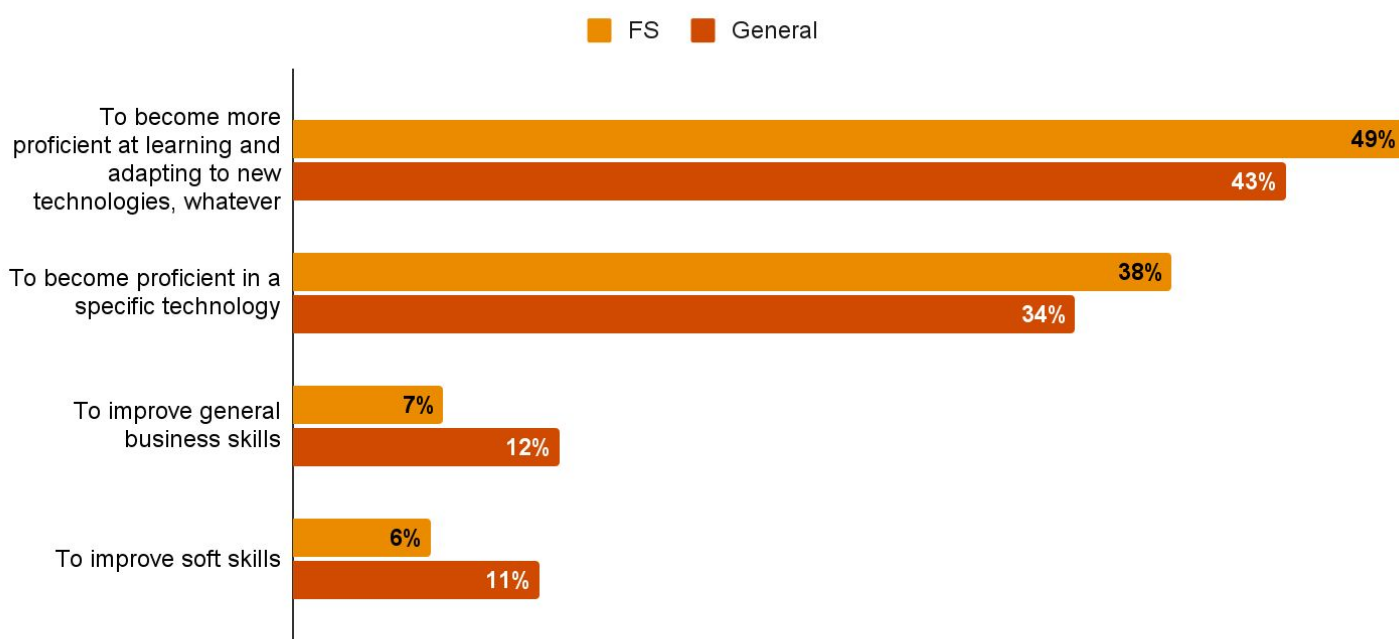
49%

of FS workers have a strong desire to improve their knowledge and usage of new technologies.

At the same time, respondents from the FS sector also show a greater willingness to become more proficient in a specific technology (38%), which is also higher than that of the general population (34%).

Compared to the general population, FS sector employees show less enthusiasm in wanting to enhance their soft and business skills, at 7% and 6% respectively. This difference is because the FS providers are focused on pushing the digital agenda, since we frequently see in the media numerous digital transformation, customer experience, e-payment projects etc. by FS organisations, as opposed to general business skills.

Q: What type of workplace skills would you most like to develop?





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Brace for impact - How to sustain momentum?



To upskill or not to upskill is no longer the question

With disruptions just around the corner, the only question pertaining to the FS sector is no longer “Should we start upskilling?”. Instead, the narrative has substantially shifted to a question of “How do we actually go about upskilling our people?”. Effective upskilling starts with an inherent understanding of the relationship between automation, productivity, and reskilling.

But what exactly is upskilling? For the purpose of this sub-report, upskilling is defined as the level of human capital development that is needed to build a workforce capable of utilising and creating technology on a continuous basis.

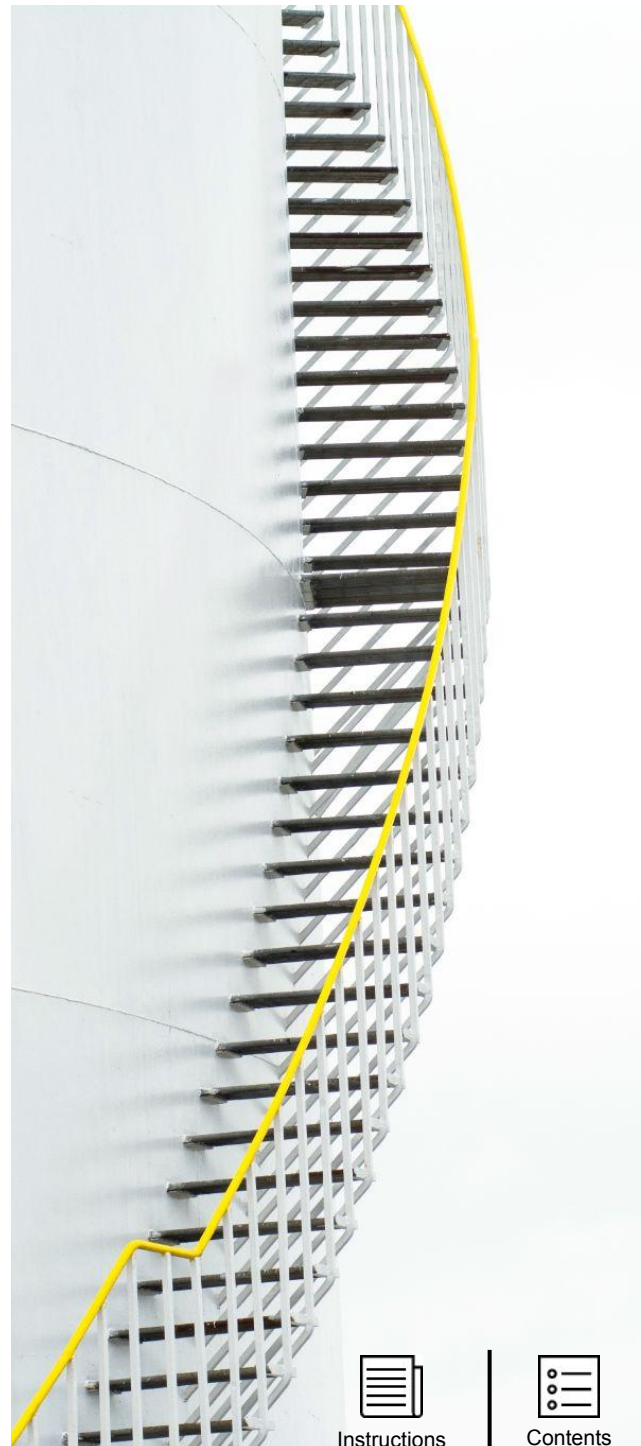
Upskilling is an investment that not only pays for itself but adds to overall productivity across business functions.

PwC’s 23rd Global CEO Survey⁵ demonstrates the benefits of effective internal upskilling, with:

- 60% CEOs citing improved engagement;
- 51% CEOs citing greater innovation, and
- 43% CEOs citing higher productivity.

So, how is the FS sector approaching upskilling to stay future-ready?

⁵ PwC - 23th Global CEO Survey, 2021



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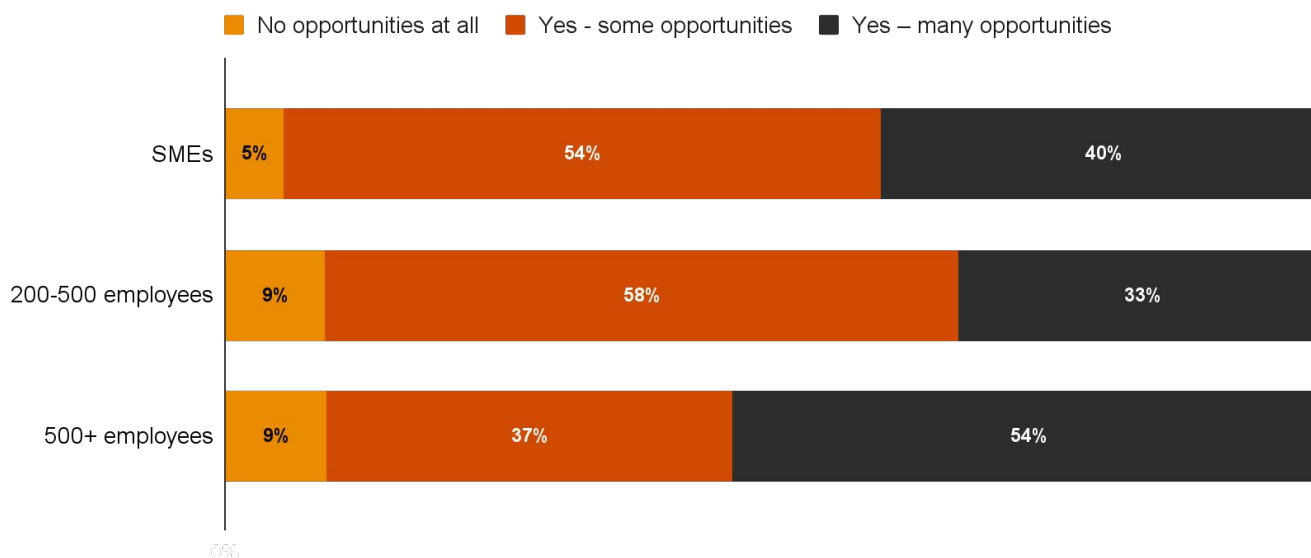
Large FS institutions are approaching upskilling in a big way

54%

of employees from large FS organisations say their employers are providing many opportunities to digitally upskill.

This figure is significantly higher than that of SMEs (40%) and medium-scale enterprises (33%) in the FS industry. With what we are frequently seeing in the media, continuous digitalisation efforts from banks and insurance companies, it is clear that the FS sector in Vietnam has been taking initiatives to actively start the upskilling journey to equip their employees with the right skills to be future-ready.

Q: Is your current employer giving you the opportunity to improve your digital skills outside your normal duties?



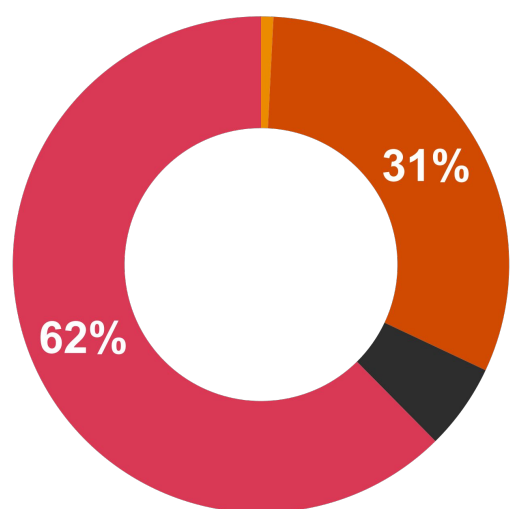
FS workers, as individuals, are taking matters in their own hands



62%

of individuals working in the FS sector respond that it is the responsibility of individuals for upskilling. Our [2020 Vietnam Digital Readiness report](#)⁶ also looked at these numbers among the general Vietnamese population, where only 55% believed that individuals should take charge of upskilling efforts.

Q: Of the following organisations, who do you think is most responsible for helping people to upskill?



● More than 1 Party ● Businesses ● Government
● Individuals

It is also revealed 41% of our respondents are learning new skills to better understand and use technology independently. This figure is higher than that of the overall Vietnamese population (36%), thus showing how individual FS employees are taking initiatives to digitally upskill themselves.

Overall, it can be seen that the FS sector in Vietnam, from both organisational and individual levels, is taking initiatives to approach upskilling and enhance internal capabilities. With a high threat of jobs being replaced by automation in the upcoming future, these efforts once again are evidence of how this industry is truly a pioneer in the race towards digital transformation.

⁶ PwC - [Vietnam Digital Readiness report, 2021](#)

But, ensuring long-term success requires a multi-faceted approach...

With all the great strides that have been made in the upskilling agenda, it is imperative to recognise that, in order to sustain and further protect success, upskilling needs to be approached from multiple facets: from individual efforts, enterprise-wide initiatives to a holistic, industry-led programme.

Three key ways to further upskill for the FS sector⁷



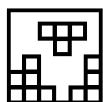
Approach upskilling and reskilling with equal caution

Defining exactly which skills are needed to succeed in the future is a recurring challenge for business leaders. PwC Talent Trends 2020⁸ report suggests that while upskilling is necessary to stay future-ready, appropriate reskilling initiatives are imperative to help employees stay relevant and agile in times of rapid change.



Collaborate. Collaborate. Collaborate

Workforce requirements are evolving faster than many FS firms can adapt. Given the industry's importance to the national economy, the government can — and should — step in to work with the FS industry to find long-term solutions to upskilling and reskilling to bridge the skills gap.



Understand the positive correlations among reskilling, productivity, and automation

To make programs self-funding, governments and FS institutions can link reskilling initiatives to job creation and productivity. An effectively upskilled and reskilled workforce will increase productivity, which in turn will provide greater input into the economy.

⁷ Strategy& - Why Financial services firms need to change with the times, 2021

⁸ PwC - Talent Trends report, 2021



Moving forward



Creating value

Achieving effective upskilling requires a focus on strengthening the capabilities of internal talents, cultivating a supportive culture and fostering a sector-wide mindset that promotes value creation and innovation.


A strategic imperative

COVID-19 has turned upskilling from being a human resource project to a strategic imperative for commercial survival that has reconfigured the way people work and contribute to future growth⁹. Building upon the current upskilling initiatives and sentiments, the FS sector in Vietnam is key to enabling visible impact. And by implementing an industry-wide upskilling programme, every individual and organisation in it stands to benefit from a well-rounded strategy to elevate skills development.

At a time when digitalisation is accelerated and the complexities of the pandemic are putting pressure on costs of business, building the case for change is critical. Sustaining a culture of innovation and accelerated digital transformation will enable the FS industry to stay ahead of the game and remain competitive in the future.

⁹ PwC - [Asia Pacific's Time, 2020](#)





The digital workforce will change our ways of working, but it will not make humans redundant. New roles will emerge while others will disappear. Digital upskilling will be key to the winning formula for innovation and success for the FS sector in the future.

Vo Tan Long
Partner, Chief Digital Officer
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Appendices

About the survey



The survey was sent out to the Vietnamese public from 12 November 2020 to 27 December 2020. Participants were asked to answer a list of questions relating to technology, jobs and skills*.

1146 responses were collected. The base for this FS sector report is **160**.

Note: Not all figures add up to 100% as a result of rounding percentages.



*This report was prepared independently by PwC Vietnam, and is our local version of PwC's Global "Upskilling hopes and fears" report released in 2019 which surveyed over 22,000 adults across 11 countries: Australia, China, France, Germany, India, Netherlands, Poland, Singapore, South Africa, the UK and the US.

PwC's 'New world. New skills.' programme

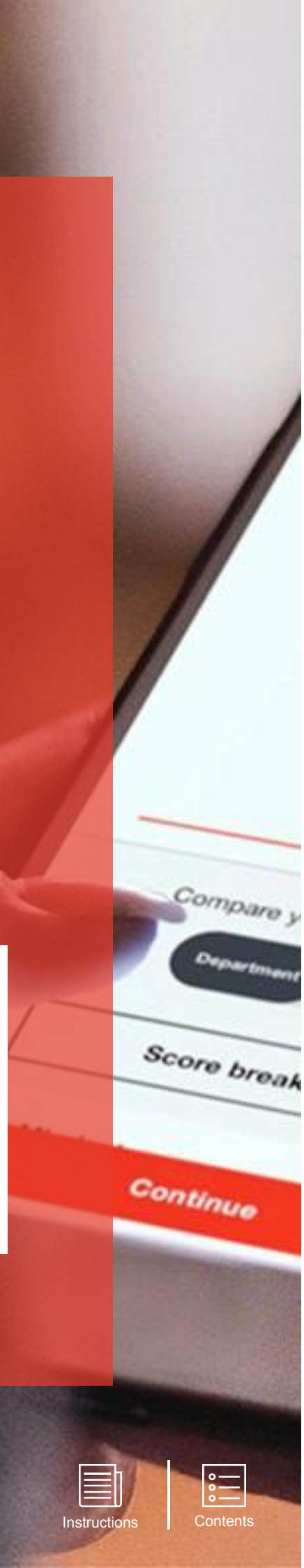
'New world. New skills.' is a global initiative by the PwC global network that aims to help millions of people around the world improve their understanding, skills and knowledge for the digital world. We believe that businesses, governments, educators and citizens play important roles in narrowing the digital divide.

At PwC Vietnam, we have invested in training to ensure our people are prepared for the future of work. We are also committed to doing our part in reaching underserved communities which may not have access to upskilling opportunities, in order to ensure no one gets left behind. There's an urgent need for organisations, governments, educators and citizens to come together to address this growing problem.

To help Vietnamese people upskill, we have made our Digital Fitness app free, and you can download it today from the Apple App Store and Google Play. Just use the invite code: LRNALL.

Find out more about our resources at <https://www.pwc.com/vn/en/upskilling.html>

Scan QR code to get the app



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