REPORT ON
THE LABOUR MARKET NEEDS OF THE FINANCIAL SERVICES INDUSTRY IN VIETNAM

1. SURVEY OBJECTIVES

The objectives of this survey are to assessing the current situation and human resource needs in the financial technology sector (FINTECH) from enterprises' perspectives. Hence, it is vital to identify the general and specific capacities of training programs, which allow the universities to select the right strategy in choosing the content of the training program.

Vietnamese partners include 3 universities (University of Economics, Hue University (HCE); University of Economics, Hanoi National University (VNU-UEB) and Ho Chi Minh City Open University (HCMOU) conducted an in-depth interview with 14 representatives from Fintech enterprises; banks to analyze human resource needs and new skills in the financial technology sector according to the enterprises ' requirements.

2. METHODS OF SAMPLING AND SURVEY

2.1. Questionnaire design

Before conducting the survey, the questionnaire was developed and completed through the following steps:

(1) The questionnaire was developed with partners in the Philippines along with related European partners' comments.

(2) Questionnaire was translated into Vietnamese then being edited by experts from the University of Economics, Vietnam National University (VNU-UEB) and Ho Chi Minh City Open University (HCMOU) to ensure the accuracy of terms.

(3) Conduct in-depth interviews with Fintech companies through direct interview (delivering questionnaires as well as exchanging via telephone).

2.2. Data collection and processing

Respondents in the survey include experts from the Fintech related companies (Digital payment companies; bank; financial companies; …). These respondents are selected because they have employed Fintech-related human resources and will, therefore have lots of experience in assessing the training needs of Fintech in Vietnam.

This study used a combination of online and face to face survey methods. In terms of the face to face survey, the researchers conducted direct interviews with the experts in Fintech-related field in Vietnam. Regarding the online survey, the researcher collected email addresses, phone numbers of experts, and emailed the questionnaires via links on Google Drive to respondents. If researchers have any inquiries they will phone to get more information. After the survey (July 15, 2020 - September 23, 2020), the team collected 14 in-depth interviews.

4. Results

4.1. The characteristics of surveyed enteprises

Among 14 surveyed enterprises, the areas of activities include bank, financial companies; online payment; mobile payment; e-commerce; electronic wallet; top-up/purchase card code/bill payment, financial technology services (Fintech).

Table 1. List of surveyed enterprises

No.	Name of enterprise	Areas of activities
1	FiinGroup	Providing financial data, business information, industry research and other premium data-driven analytics services. Building, researching and exploiting financial database. Providing services on financial analysis and financial data.
2	Money Lover	Supporting personal financial management, offering solutions for customer's asset management
3	Finhay	Financial investment products and personal deposits, financial portfolio management
4	MB Digital Banking Division	MB's Digital Banking Division implements digital solutions for the financial services provided by the bank
5	VN Direct	Property management, financial management of stock companies for individual and institutional investment customers
6	CIMB – Individual customer Department	Digitalization of banking services for individual customers
7	NAPAS – National Payment Corporation of Vietnam	Financial switching company specializes in providing electronic payment and clearing solutions for electronic payment gateways for businesses

8	Sai Gon Thuong Tin Commercial Joint Stock Bank	Bank
9	KIS Securities Joint Stock Company	Stock
10	Sai Gon Joint Stock Commercial Bank	Bank
11	Innovation Solution Pte Ltd.	Fintech
12	Joint Stock Commercial Bank for Foreign Trade of Vietnam, Hue branch	Bank
13	FPT Da nang	Fintech/Business development
14	VNPAY	Digital transaction; mobile banking

The findings indicated that most enterprises have specialized departments/ divisions performing research, development, and innovation (R&D) functions. Since these companies operate in the financial sector, the research, development and innovation of the product is very important. However, the allocation of budgets for R&D activities at the respondents' organizations is limited and unclear.

4.2. Assessment of development trend in the next 3 years

According to experts, with a population of nearly 100 million people and a large number of young people, the demand for using financial technology-related services in Vietnam will increase rapidly in the near future. Currently, in Vietnam, there are many companies operating in the fields of financial technology, most of which focus on payment (accounting for nearly 60%).

Currently, 2/3 of the Fintech start-ups in Vietnam are providing consumers with online payment tools (such as Onepay, 123 Pay, Vina Pay, MoMo, ...); providing digital payment solutions such as POS / mPOS (such as iBox, Moca, ...); money transferring. In addition, the Vietnamese Fintech market has a number of start-ups operating in other areas such as crowdfunding (such as FundStart, FirstStep,…); online lending services (LoanVi, Trust Circle); managing personal financial data (such as Moneylover, Mobivi, Kiu); customer data management (such as Circle Bi, Trusting Social); digital banking (Timo). A representative from the company said :

«The COVID-19 pandemic is changing the shopping habits of Vietnamese consumers, many of whom are moving online ».

(Interviewee 14)

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«Due to the impact of the Covid-19 pandemic and the strong development of e-commerce, the trend of cashless payment will develop rapidly in Vietnam. Therefore, the demand for human resources for financial technology will increase strongly in the next time».

(Interviewee 11)

In the banking sector, to improve the convenience of customers, the bank invests a lot of resources in the application of artificial intelligence (AI) and machine learning to meet online payment needs that are increasing rapidly among young people, so the banking industry has a great demand for fintech human resources.

«The Bank will pioneer and apply many useful technologies to bring a better experience for customers and employees».

(Interviewee 8)

In the stock market, the application of Fintech is becoming more and more popular and supporting investors to access and support customers. Some Fintech applications have also appeared, such as online financial advisory tool TCWealth Advisor, smart savings and investment platform Finhay, FinBox securities investment advisory tool ...

«The stock market has over 1,600 shares; without the support of technology, it will be difficult for security companies to take care of all their customers».

(Interviewee 9)

Despite the relatively small scale compared to traditional financial services, fintech services are experiencing rapid growth in Vietnam. The evidence showed that Fintech has helped people and businesses maintain and even increase access to financial services.

«Fintech brings many benefits such as faster, more efficient transactions, lower costs, less requirement or no collateral for credit, etc. Digital financial services are therefore easy to reach low-income households, small and medium-sized enterprises (SMEs)».

(Interviewee 2)

Vietnam is implementing social distance measures to control the COVID-19 pandemic. Digital financial services have new opportunities to promote financial inclusion. In fact, Fintech plays an important role in reducing the impact of COVID-19 by facilitating timely and

effectively implementation of financial solutions to beneficiaries, even those who do not have access to banking services.

In Vietnam, some institutions have cooperated with foreign universities offering master's programs in finance and Fintech, in which foreign universities will grant the degrees. One of these programs is Master of Science in Banking, Finance and Fintech of EM Normandie, France, collaborated with Vietnam National University, Hanoi. The full FinTech education program in Vietnam is the cooperation between the School of Management, Asia University, in Taiwan and National Economics University, Vietnam to offer a Bachelor of Finance and Banking in Fintech in 2018. Asia University, one of the top universities in Taiwan, has a Fintech and Blockchain Research Center, which studies the latest developments in technology adoption in the financial sector.

«Although many universities in Vietnam have trained human resources in financial technology, compared with the explosion of demand in the market, there is still a large gap between the demand for human resources and training capacity ».

(Interviewee 13)

As can be found in the results, 14 respondents agreed that Fintech would develop more strongly in the coming time in Vietnam.

4.3. Describe the necessary manpower's skills to support your companies' development.

According to interviewees, the current issue about human resources for the fintech industry in Vietnam is that people who know information technology (IT) often have no expertise in the financial sector. Conversely, people who know finance do not understand IT. Consequently, human resources who are good at IT without financial knowledge will not achieve effective results in fintech application programming. In contrast, senior personnel with expertise in banking and finance often make slow or wrong decisions when investing in technology due to a lack of knowledge about IT.

"Fintech personnel must meet three requirements: financial understanding, IT skills and foreign languages. But the number of personnel who can meet all three requirements is very limited."

(Interviewee 6)

The results of in-depth interviews with experts showed that the necessary skills for the operations of fintech companies and banks focus on the following groups:

✓ Investment management skills;

- ✓ Financial risk management;
- ✓ Management skills in operating the company's activities; teamwork and online marketing;
- ✓ Skills to create relationships with businesses;
- ✓ Business data mining skills.
- ✓ Good insight into technology (data processing);
- ✓ Good technical and professional background in product development
- ✓ Data analysis (Financial Computing with Python and R)
- ✓ The new emerging technologies such as Blockchain, artificial intelligence and big data analytics
- ✓ Communication skills, creative thinking
- ✓ Teamwork skills

When asked about the essential skills of Fintech personnel that can help the company compete, grow and meet future needs, interviewed experts said that, besides the degrees received from universities, staff should have experience participating in practical projects:

«Academic is not as important as real projects or experience».

(Interviewee 1)

Many opinions remarked that due to the rapid development of technology, regularly updating the knowledge related to financial technology is essential for human resources at financial companies; banks… Therefore, enhancing knowledge through master's and short-term training programs is essential.

« It is necessary to regularly update knowledge about technology and finance through master's programs in financial technology; data analysis training ».

(Interviewee 6)

For the demand for technology tools in use at the company, the main technology tools used in the company include:

- ✓ NET, Java và specific software of the banking system such as Core Banking, Internet Banking, Card systems
- ✓ Trading software, management software, systems
- ✓ Big Data, IoT, Cloud
- ✓ Online payment software

4.4. Support for the Master of Financial Technology program

When asked about the company's support for the master's program in financial technology, the interviewees said that if the financial technology master's program is offered, it helps the learner gain knowledge of finance, technology and innovation. The comments said that:

- ✓ It would be more interesting if the program had a clear project for staff to complete at the end of the course, not just academic knowledge.
- ✓ This is a very good project that staff are highly recommended to participate
- ✓ The employees' working capacity and creative thinking will be improved
- ✓ Learners will be able to convert better the financial data and larger database management
- ✓ It would be great if there are training programs related to financial technology
- ✓ Learners will be allowed to participate in the program and to develop their creativity

4.5. Expectation from the program

- ✓ Employees will obtain the knowledge of more applicable technology tools
- ✓ Employees will be able to make a practical contribution to the company in the Digital field
- ✓ Employees devote to a company for a long time
- ✓ Employees will be able to process and manage databases related to listed companies, capital inflows, macro data, industry data…
- ✓ Employees will be developed their creativity as well as be able to use the technology
- ✓ Employees will be enhanced their technology skills, financial management and teamwork
- ✓ Employees will be enriched the knowledge about financial and information technology and teamwork skills

5. CONCLUSION

Interview results showed that completing the Fintech ecosystem in Vietnam is to train high-quality human resources. One of the solutions to this problem is to develop a Fintech training program. Besides financial modules, the program should provide learners with an overview of Fintech development, helping learners understand the principles of modern finance as well as develop the essential skills. In terms of technology: Training program focuses on technology development for big data, digital banking, payment gateway, data analysis, digital identity ... Regarding technology management: Training programs should focus on technology analysis, information security, modernization of enterprise information

technology, financial information systems, technology application management. Interm of fintech products and services: Focusing on training technology-based service development applications includes specialized training in Fintech analysis through credit model, Blockchain-based on data, Fintech applications in corporate finance, personal finance, payment, consumer finance, online lending, asset management, risk management etc.

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