



What is needed is a credible voice, or a few distinctive and respected voices among Asia's current and future finance leaders, to speak up and be heard globally over time.
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GROOMING ASIA'S FINANCE LEADERS

We need leaders with the prominence to represent the interests of Asian markets, who can help the evolution away from being "regulation-takers". **BY JOSEPH CHERIAN AND BERNARD YEUNG**

SINGAPORE has been progressively upgrading finance skills, and that trend looks set to continue as the country presses ahead with ambitions to be Asia's leading financial hub. In 2014, Singapore's Deputy Prime Minister Tharman Shanmugaratnam, who is also chairman of the country's central bank and the International Monetary Fund's International Monetary and Financial Committee, spoke of the need to develop leaders for Singapore's financial sector. As Mr Tharman pointed out, deeper skills and expertise will be required as the financial sector grows.

Indeed, Singapore has come a long way over the past 50 years – it did not start out as a financial centre. Initially, the banking sector comprised foreign bank branches and small local banks. The skills required at that time were basic. But today, Singapore's financial sector – comprising some 1,000 financial institutions – accounts for nearly 12 per cent of its gross domestic product (GDP). Financial sector and leadership skills, particularly within an Asian context, are now key priorities for the industry and policymakers.

This will require the commitment and efforts of several sections of society. For instance, academics will certainly have their part to play in developing, inspiring and nurturing leaders with the right skills, values, confidence and attitude. However, it is also important to provide Asia's next generation of finance leaders with not just state-of-the-art classroom learning, knowledge, cases and theories, but also experiential learning and mentoring from leading senior executives and policymakers who have been there, done that.

Asia is significant globally due to the aggregated size of its economies and populations. Moreover, Asia has the greatest growth potential, given its current GDP per capita relative to the rest of the world.

Yet, clearly, Asia has its own specific context that its capital market development must take into account. For example, in Asia, the concentration of wealth remains very much in the hands of family businesses, government-linked corporations and sovereign wealth funds.

Given this backdrop, the training of Asian finance leaders must incorporate several elements. First, these future C-level executives must be well versed in the economic trends, structures, stress points and opportunities of multiple markets throughout the region. In addition, they must have in-depth exposure to business leaders and policy-makers in key economies around the world. Third, they must have an understanding of technological trends and of how these will impact and/or transform their businesses, and be able to think strategically. Fourth, they must acquire an understanding of leadership principles, be open to learning through experience and action, and come to terms with leadership challenges by liaising with mentors.

Last, but not least, we need to look beyond the development of just the individual, to that of a global network of leaders who will share insights and wisdom, and who care deeply for their institutions, stakeholders and communities over and above themselves.

ASIAN VOICE

As the region gains in significance, we need to develop a credible Asian voice, not just because of the sheer size of our economies and wealth, but because of quality of our leadership, as exemplified by Singapore.

For aspiring financial leaders in this region, this will entail senior executives stepping out of their comfort zones to transform themselves into leaders with the insights, passion, charisma and abilities to deliver sustained, high performance and to turn successful entities into organisations of significance that provide market leadership based on their capabilities and culture.

At NUS Business School, we have taken the first step by setting up a new initiative that aims to equip senior executives who are looking to lead financial organisations in Asia with the necessary skills to become future CEOs or CIOs. As part of the learning, the participants will visit financial institutions, industry leaders and policy-makers in Beijing, Mumbai and Singapore, as well as leading Western financial centres. Mentoring by global finance leaders will be a key component of this programme.

Now, more than ever, the region's financial

sector must have a credible and strong voice globally. We need Asian finance leaders with the prominence and clout to represent the interests of Asian markets, who can steward economies as the region grows and help the evolution away from being "regulation-takers".

In the aftermath of the most recent financial crises, many laws and regulations were enacted by the West. These were aimed at enhancing consumer protection and reducing future risks in the financial systems by curtailing excessive risk-taking activities by financial institutions. This was all well-intentioned and good. However, other new rules apply mainly to the US and European contexts – policy-makers, watchdogs and consumers – and may not be so relevant in Asia. DBS Group CEO Piyush Gupta recently commented that, as Asian economies differ markedly from those in the West, taking a "one-size approach to global financial regulation will not work".

Enriched by our various challenges, we now have the capability to critically evaluate policies from the East or West. For example, a recent article written by our colleague, Jussi Keppo, on the Volcker Rule's unintended consequences explains that the rule in its current form does not necessarily reduce bank risk-taking behaviour and, to add salt to the wound, is expensive for both banks and regulators to implement.

In effect, Asia's markets seem, at times, to be paying for the sins of the US and Europe in the aftermath of a financial crisis that they did little to create or perpetuate. What is needed in this context is a credible voice, or a few distinctive and respected voices among Asia's current and future finance leaders, to speak up and be heard globally over time. It requires setting aside some of our differences – whether territorial or historical – so that we can claim our rightful place in global financial policy-making and business, and lead from Asia.

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