

Managing the Bank

People

In 2022, the Bank continued to modernise the work environment and adapt to a changing and diverse workforce. Our goal is to create an environment where our people can thrive and be their best selves towards enhancing the Bank's productivity.

The COVID-19 pandemic has provided the Bank with an opportunity to fundamentally rethink the way we work. During the lockdown, new practices such as remote working and online real-time collaboration became default practices. These quick changes allowed us to keep our operations running smoothly. To further enhance our productivity, we continued to focus on:

- improving people's engagement in the digital era;
- rethinking people operations¹;

- enhancing organisational agility; and
- strengthening our talent pipeline.

Improving People's Engagement in the Digital Era

A key priority for the Bank is ensuring an optimal working environment for our people. Considering this, we reviewed what it means to work effectively and equipped our staff with an expanded set of productivity tools. We also focused on improving team engagement and strengthening teamwork and understanding of interlinkages and interdependencies among our employees.

During the pandemic, we experimented with different work arrangements such as remote working and split operations while ensuring the health and safety of our staff. While the Bank was able to function without any interruption, new employees faced challenges in connecting with their colleagues due to lack of interpersonal relationships, coupled with stress and anxiety associated with remote working and adapting to a new workplace. To address this, we gradually increased in-office work from once to twice a week throughout 2022 to



Khairul Nadzrin Kairul Zaman
Manager, Foreign Exchange Policy

Even after almost 10 years in the Bank, the past few years upended how I approached work. This was not made any easier being a working parent, having to balance both career and family at the same time. However, the Bank makes sure its employees can do this and supports us in every way they can. The flexible working arrangements introduced by the Bank enables me to work remotely, while balancing and attending to the needs of my two kids. Thanks to this, the relationship between my family is now stronger than ever, allowing me to also give 100% commitment in my work.

¹ People operations is the business function and processes for managing and developing an organisation's workforce. It is a people-centric approach that focuses on what people experience as employees within the organisation to improve their productivity, growth, and satisfaction.

As a working parent, flexibility is the most important benefit to me and my wife. My kids, like every other kid in the world, were affected by the pandemic. They require more attention and help to catch up with learning and education. The Bank's full-time childcare service (Tunas Kijang) provides working parents like me with peace of mind. The facility and education of Tunas Kijang are top-notch, providing my kids with the highest quality of early childhood education.

On the occasion that I do have to come into office, I look forward to engaging my colleagues in a relaxed and collaborative setting. The Bank entrusts us with tools and flexibilities so that I can focus on being my best for my team.

promote face-to-face interactions, especially for new hires and to foster team bonding. Beginning 2023, staff have the option to work remotely two days in a week.

Technology adoption was significantly ramped-up for collaboration, enhanced productivity, and to achieve business objectives. We developed in-house applications to drive operational efficiency, facilitate better decision making, and strengthen risk management practices while improving internal processes in these areas. We also improved internal platforms for social networking where our people engage and create communities – for work and

non-work topics, as well as keep up to date with happenings around the Bank (Diagram 1).

Throughout 2022, the wellbeing of our people remained a focus – as the pandemic could have a lasting impact on the mental and physical wellbeing of our staff. In-house counselling services and peer support groups were accompanied by staff-led initiatives to increase mental health awareness and reduce stigma (Diagram 2). We also introduced training programmes to help supervisors coach and mediate their team members through stress and work-related challenges.

Diagram 1: Social Networking to Connect People Across the Bank



Source: Bank Negara Malaysia

Diagram 2: Organisational Security Management Department’s Wellness Programme: Nutrition Awareness Talk Series 4 - Jangan Pendam, Jom Kongsi: Cara Mengekalkan Minda Sihat

JANGAN PENDAM, JOM KONGSI
CARA MENGEKALKAN MINDA SIHAT
oleh Coach Drona Dewi

KESIHATAN MENTAL
• Kenali simptom penyakit minda dan bila untuk dapatkan bantuan profesional.
• Sokongan keluarga & masyarakat adalah penting dalam mendapatkan bantuan profesional.

BE KIND TO YOUR MIND

MINDA KEDUA
Minda kedua kita adalah perut kita. Pemakanan adalah faktor yang penting dalam mengekalkan minda yang sihat. Utamakan makanan yang sihat seperti buah-buahan dan sayur-sayuran.

4 CARA MENGEKALKAN MINDA SIHAT
• Muhasabah diri
• Jangan perbesar perkara remeh
• Kembali kepada realiti
• Luah dan bincangkan

PETUA UNTUK MINDA SIHAT
kebahagiaan adalah keadaan yang dicirikan oleh kepuasan umum dengan keadaan semasa seorang. Terdapat banyak faktor yang menyumbang kepada kebahagiaan.

POSITIVE THINKING
Memunyai pemikiran yang positif tidak bermakna anda mengabaikan situasi kehidupan yang kurang menyenangkan. Berfikir positif boleh membantu anda untuk mengatasi tekanan seharian dan juga membantu meningkatkan kesihatan seseorang.

Other tips: Simpan jurnal, Tulis surat kesyukuran, Tidur dengan cukup, Hitung berkat anda, Amalkan gaya hidup yang sihat.

Logo: One CSS

Source: Bank Negara Malaysia

To emphasise the importance of connections among our staff, we organised our first family day event since the pandemic for staff in both our headquarters and regional offices. The event was attended by more than 7000 Bank employees and their family members. Additionally, in 2022, we held our annual staff-organised treasure hunt as an in-person event.

Our core aim is to ensure that we have a strong culture and an engaged workforce that keeps us effective as an organisation. This considers the new challenges that we are facing as a central bank, where the landscape is becoming increasingly complex and uncertain. To this end, we have articulated five Cultural Beliefs that are aligned with these evolving realities – in particular, to emphasise the importance of agility, collaboration, and excellence as an organisation (Diagram 3). This serves to reinforce desired norms and habits, such as open and candid discussion as well as a sharp awareness about the interdependencies across various teams and areas of work. Our commitment to this cause is reflected in the sponsorship at the highest level of the Bank. We also regularly check in with staff at all levels to understand their experience of the changing workplace and the workplace culture. We envision that this will foster an even greater sense of belonging and ownership for our people, resulting in a more fulfilling and meaningful professional experience. More importantly, this environment will be crucial to bring out the best from our staff, so that the Bank operates at the highest level of effectiveness and professionalism in delivering its mandates.



The Bank held numerous physical events in 2022

Diagram 3: Our Cultural Beliefs



Source: Bank Negara Malaysia

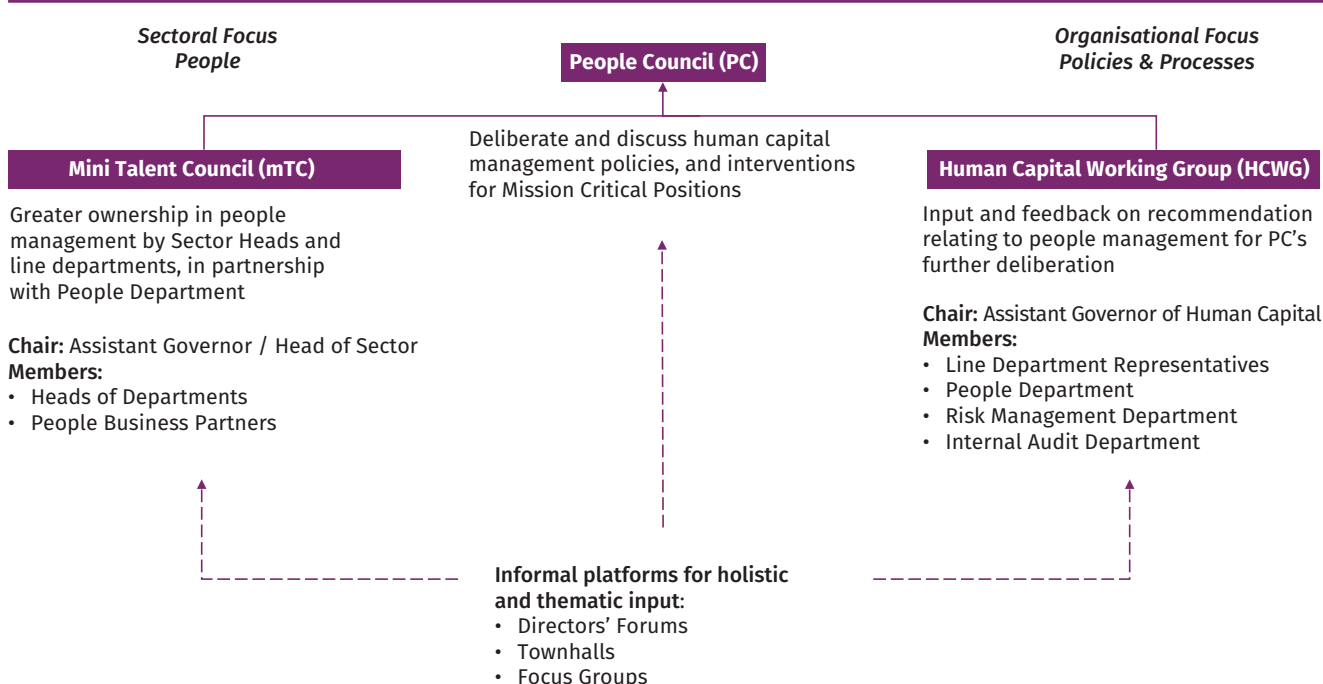
Rethinking People Operations

As the way we work changes, the Bank also elevated its people operation practices. The streamlining of human capital related departments in the previous year has begun to yield its intended outcomes.

A cornerstone of the refreshed People Department was the setting up of a Technology and People Analytics function. This team is responsible for tools and analytics that enable us to gain more reliable insights into talent needs and better measure workforce performance and productivity. The goal is to provide more transparency and ownership of data to supervisors in managing their people. To complement observations from data, our People Business Partners cultivate strong relationships with department heads to diagnose and resolve talent issues speedily, thus allowing them to focus on delivery of their mandates. There has been positive reception from department and sectoral heads from these efforts.

The newly established People Council (PC) is the apex decision-making committee for people matters (Diagram 4). This creates greater visibility and efficiency in developing policies and interventions pertaining to people operations. Proposals to the PC are first deliberated by a Human Capital Working Group (HCWG) to incorporate feedback from line businesses. The PC is replicated within each of the Bank's job sectors through Mini Talent Councils (mTC) chaired by the respective sectoral head. This way, managers take more responsibility for making decisions about managing their employees as part of our regular business activities.

Diagram 4: Multiple Platforms Across the Bank to Engage and Solicit Input for People-Related Decisions



Source: Bank Negara Malaysia

Enhancing Organisational Agility

The Bank worked on making its operations and processes better throughout the year. This is part of our effort to make sure our employees can respond to new issues and changes in the domestic and global environment. We realigned functions within the Bank, helped staff move up in their careers, and adopted more agile staffing approaches for important projects and policies to get the most out of our talent.

In 2022, we placed our communications team in the Monetary Stability division to better deal with current issues. We also combined our data science and economic research teams to work together better and use artificial intelligence to strengthen economic analysis and surveillance. Our data science capabilities were used throughout the Bank, ranging from analysing financial stability and market behaviours to monitoring fraudulent activities and making the organisation work better.

On the operations front, we established the Centralised Procurement Department to consolidate our procurement processes to increase efficiency and provide best value-for-money outcomes for the Bank. In addition, we are currently reviewing the Bank's currency management and operations function to improve the currency ecosystem and generate thought leadership in the future of currency management. We also embarked on outsourcing arrangements for several functions including transport services, museum shop operations, and other general services. This is to help us focus on tasks that are more related to our mandates and simplify our business operations.

Another key aspect of organisational agility is facilitating internal mobility and promoting interdisciplinary approaches to better respond to increasingly complex mandates. Towards this end, we streamlined the salary structure across the organisation as part of our rewards strategy to promote talent mobility and unlock career pathways.

We also adopted a talent marketplace approach to rapidly pull together diverse skill sets from across the Bank to deliver key projects and policy initiatives. This was effectively used for major initiatives that required collaboration from all areas

of the Bank, such as identifying financing gaps in the economy (including green finance), formulating the right regulatory posture to promote innovation in the financial system, and enhancing both the regulatory and developmental ecosystems for the insurance and takaful industry.

Strengthening Our Talent Pipeline

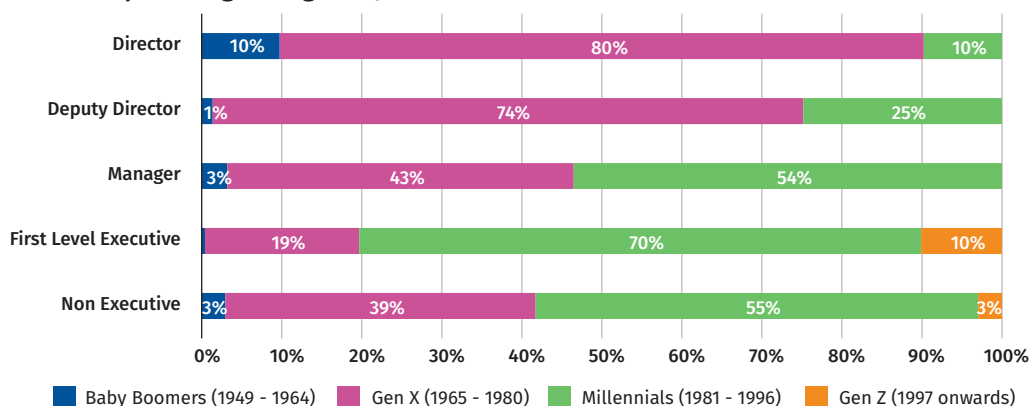
Our main priorities are to help our staff grow in their careers and continuously develop and sharpen their skillsets. In 2022, almost 60% of job openings were filled by existing employees through promotions and transfers to other departments. We also emphasised leadership development, with new training programmes on problem-solving and impactful communication. A cohort of supervisors are getting certified as professional coaches to help mentor new and younger employees. This is important since most of our staff are millennials (Diagram 5). In 2022, our coaches-in-training spent a total of 556 hours doing group and individual coaching sessions.

To build a pipeline of talented and diverse workforce (Diagram 6), we introduced the Kijang Graduate Programme (KGP) in 2021. The programme selects graduates from atypical backgrounds such as biomedical sciences and English literature to bring unique perspectives to the central bank. In 2022, we expanded the KGP to returning scholars to help them network early in their careers. We now have 153 Graduate Analysts across three intakes. After completing the programme, participants can pursue careers as central bankers in various functions across the Bank.

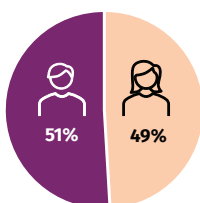
To help our staff tackle increasingly complex challenges, we continued to prioritise their development (Diagram 7). We addressed existing needs while also exploring emerging and future areas. For instance, we introduced a Central Banking Interlinkages programme in 2022, which focuses on the interconnectedness of the Bank's monetary and financial stability mandates, as well as their trade-offs. This complements our staff scholarship programme which supports our people to pursue post-graduate qualifications in various fields of study such as fintech, climate change and Shariah jurisprudence. In 2022, the Bank also awarded scholarships to 47 young Malaysians to pursue their pre-university and undergraduate programmes.

Diagram 5: Gender Balanced and Multi-Generational Workforce

Millennials make up the largest segment, at 59% of the Bank's workforce



Headcount 3220



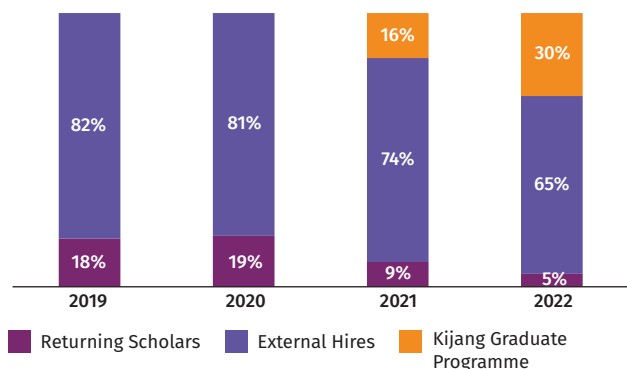
Job Level	Gender Composition	
Senior Management	58%	42%
Managers	43%	57%
First Level Executive	44%	56%
Non-Executive	64% ¹	36%

¹ Higher percentage of male non executive staff is attributed to our Auxiliary Police

Note: Data as at 31 Dec 2022

Source: Bank Negara Malaysia

Diagram 6: Our Source of Talent



Source: Bank Negara Malaysia

To maintain organisational adaptiveness, we continue to encourage our staff to obtain professional certifications across a broad range of disciplines. Presently, 606 staff hold memberships from professional bodies and credentials recognised

by the Bank. We also upskilled our people to adapt to new ways of working. In 2022, 246 administrative staff were enrolled into a structured curriculum to elevate their capabilities in areas such as digital fluency, office management, communication, and stakeholder relationships. With remote now working being the norm, we focused on enhancing cyber hygiene practices among employees by conducting compulsory training sessions and introducing mandatory staff attestations on cybersecurity management. Please refer to Chapter 2.3 Risk Management and Internal Controls for a further review of our efforts to stay ahead of cyber threats.

We have a long journey ahead, but we have made progress toward our goal of creating an ideal workplace, and our efforts have been recognised. In 2022, we received the Most Preferred Employer award in the government sector at the GRADUAN Brand Awards.



Akash Nair

Digital Graduate Analyst, September 2021 Intake

As I come towards the end of my stint in the Kijang Graduate Programme (KGP), I look back and all I can say is that it's been a very fulfilling journey. Right from the start of the programme I was pleasantly surprised with how efficient and interesting the onboarding process was. It gave me a good overview of the Bank's departments and its functions.

As a digital graduate analyst, the three rotations I chose consisted of data science teams within different sectors, which naturally meant I had a lot to learn. Personally coming from a Theoretical Physics background, I had a decent amount of exposure to Python programming, but applying it to projects within the Bank was very different and something I gradually got used to. I was also given ownership of certain projects and this was where I had to learn how to manage various stakeholders.

Overall, I would say there is a steep learning curve, but my seniors and colleagues in the Bank were welcoming and helpful. This allowed me to learn the ropes and settle in quickly. I am confident that any incoming KGP would have as good an experience as I have had as the Bank is a fantastic place to kickstart your career.



Ho Yi Duan

Deputy Director (Actuary), Insurance & Takaful Supervision

After 12 years in the Bank, I decided to pursue a Master in Central Banking (MCB) at the Asia School of Business (ASB) to power up my technical and leadership skills. The MCB is a year-long residential programme with a six-week immersion programme at MIT Sloan School of Management.

Through MCB, I gained a more integrated understanding of the central bank mandates and functions in both monetary and financial stability, and a better appreciation of interlinkages between different risk areas in the financial system.

I learned useful data-driven analysis techniques that link academic research to practical application, which can support robust policymaking. The curriculum emphasised systems thinking, best practices and innovation, while the assignments simulate practical problem-solving by central banks in normal and crisis scenarios.

I'm more perceptive towards nuances of central bank governance and roles in working with various stakeholders. Most enjoyably, I got to interact and strengthen relationships with other central bankers, researchers, and industry practitioners through the programme.



Nur Aziantie Abdul Hamid

Associate Executive, Strategic Communications

As a diploma holder, I joined the Bank as an administrative officer in 2009. Throughout the years, I've worked in several functions across the Bank including our museum and art gallery, currency operations and hospitality. Since day one, I was very eager to explore new opportunities in developing my capabilities and grow my career. Thankfully, my colleagues have been encouraging and provided me exposure. Everyone is passionate in supporting others to explore, discover, and learn.

I took the opportunity to join several courses offered by the Bank which include designing infographics, creating databases in spreadsheet software, and enhancing my presentation skills. I was able to apply these new skills to perform my tasks more meaningfully, manage my projects more effectively, and develop my strategic thinking and problem-solving capabilities.

All the support and development that I've received gave me the confidence to apply for and successfully secure a promotion as an executive in 2022. I would like to encourage others to believe in yourself and keep chasing opportunities, wherever they may be!

Diagram 7: Continuous Development for Staff, Through Various Channels

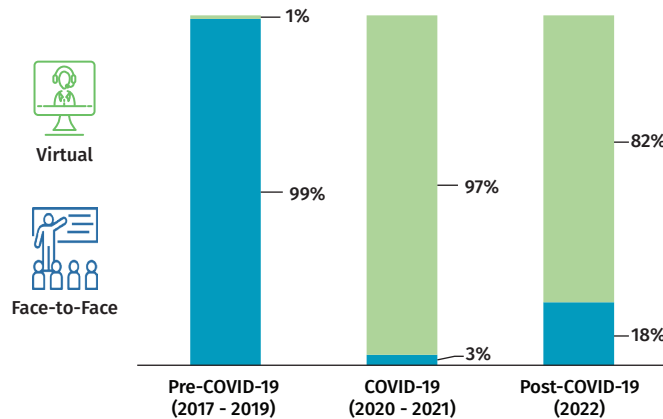


Learning and development (L&D) investment over gross salary:
3.5%
 [3-year average (2019-2021): 5.2%]



Average learning hours per executive:
50 hours
 [3-year average (2019-2021): 44 hours]

Face-to-Face vs Virtual Learning



Notes:

- The prominent method of learning continues to be through virtual channels. This brought down the cost of our L&D investment as virtual learning is generally more affordable and accessible.
- As we phase back to normalcy, our people have had more opportunities to participate in face-to-face learning.

Source: Bank Negara Malaysia



BNM receiving the Most Preferred Employer award in the government sector at the Graduan Brand Awards Gala Dinner, 4 December 2022

Way Forward

We are keeping up with the changing landscape of work and strive to ensure our employees continue to perform well and grow. In 2023, the Bank has commissioned an independent manpower audit to recommend an optimally sized organisation in a modern and digitalised environment to deliver our mandates for the next three years. We are also

reviewing our physical office space to make sure it has the technology and infrastructure that is fit for our purpose, while implementing a digital operations platform to improve processes in people, finance, and procurement management. With these investments, we hope to achieve greater productivity and efficiency through a hybrid work model that supports both in-office and remote work.