

Managing the Bank



People

Our people are our most important asset. It is through them that the Bank is able to deliver on our mandates. The Bank therefore seeks to attract the nation's best and foster an environment that brings out the best in them.

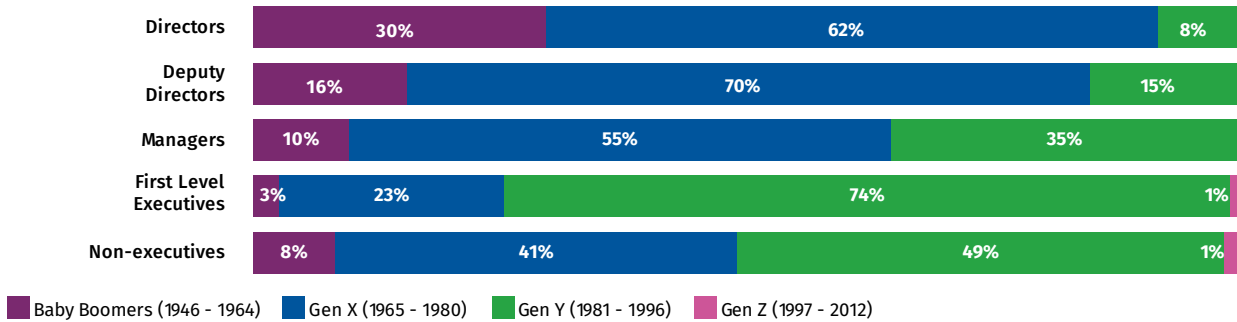
Driving excellence and integrity

As an organisation with a mandate to serve the nation, the work that we do must stand firmly on strong professional and ethical foundations. To ensure that we discharge our duty of care, the Bank is committed to shaping a culture that promotes high standards of excellence and integrity among the 3,000 plus employees who work here. The diversity of our workforce also enables us to enrich the insights that we can bring to our work, and increase our impact on the community.

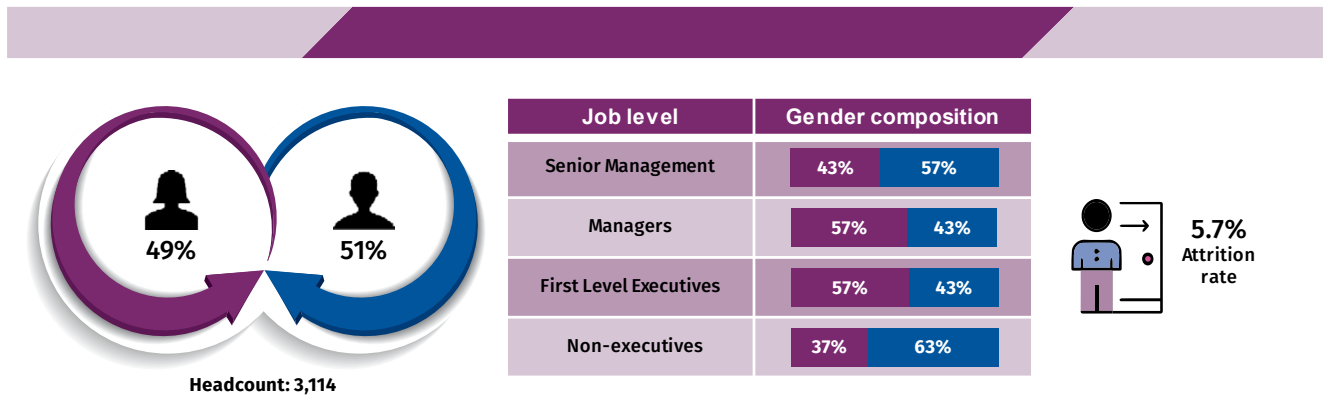
In 2019, we implemented a number of important changes to PRIME — our performance management framework — to facilitate more holistic assessments of performance, leadership effectiveness and technical competence. This saw the introduction of a new ruler to assess individual performance, with greater emphasis on impact and effectiveness to empower and encourage a workforce that is responsive to the challenges that we face. The new framework also places greater weight on effective engagement and inclusiveness in the way we work. We rolled-out Kijang360, a system for employees to receive feedback from supervisors, peers and team members on their performance and conduct.

Diagram 1: Talent demographic

Millennials make up the largest segment, at 54% of the Bank's workforce



Note: Millennials (or Gen Y) are defined as persons who were born between the years 1981 to 1996



Source: Bank Negara Malaysia

These changes reflect our intention to adopt a more holistic approach to the way we reward and promote employees, by reinforcing our core shared values in the way they discharge their duties. On the part of the individual, PRIME and Kijang360 will also give data points to help employees chart their personal development.

With the year 2019 also marking the Bank's 60th anniversary, we took the opportunity to conduct a wide-ranging effort to review and reflect on the way decisions are made in the Bank. For this, we conducted a series of conversations at all levels of the Bank to identify cultural factors — such as pre-existing habits, assumptions and mindsets — which may impede the performance of individuals and teams across the Bank. These sessions probed a number of themes critical to the Bank's performance such as exercising the duty of care, dealing with conflict and ethical dilemmas, and overcoming challenges to collaboration. The sessions provided important reflections in our ongoing efforts to

build and sustain high-performing teams that embrace the Bank's values.

Developing our people

To ensure that we can deliver on our mandate, the Bank considers it a priority to equip our people with the right skills, competencies and knowledge to carry on our mission. Accordingly, the Bank devotes substantial attention and resources to developing and maintaining healthy succession and feeder pools with deep expertise in central banking and other related areas.

Being a knowledge-based organisation, we invest significantly in our people. This starts from the way we source for talent. While we source for talent from a wide range of sources, our scholarship scheme is an important channel for us to maintain a strong talent pipeline. In 2019, a total

of 72 scholarships were awarded to exceptional students to pursue pre-university, first degree and post-graduate programmes. Upon their return, scholars are placed in various departments based on specialisation, interest and role-fit. The Bank's intellectual capital is also strengthened with opportunities for staff to pursue relevant fields of post-graduate study.

Additionally, the Bank provides a supportive environment for employees to pursue professional qualifications and further their studies in areas that are related to our mandates. We reimburse employees for costs involved in acquiring or maintaining their professional credentials and offer paid study leave for exam preparation. In 2019, 24% of the Bank's executives hold or are actively pursuing professional credentials and certifications in areas such as finance, accounting, investment, banking and insurance.

Various learning and development opportunities are provided to build strong capabilities required of employees to meet the demands of their jobs, and to accelerate their time-to-competence. We continued to update and expand our suite of leadership and technical programmes, designed for staff at all levels and across the diverse functional areas of the Bank.

For our emerging leaders, we introduced the Bank Negara Malaysia Business Acumen (BNMBA) programme during the year. The programme reinforces the principles of good governance

and is designed to sharpen the business acumen of our people in areas such as negotiations, communication, procurement and project management, risk, talent and financial planning. Case studies are also used to immerse participants in real-world situations to better appreciate managerial challenges.

To ensure that our employees are well supported to carry on the Bank's mission, we are putting in place the foundations to prepare and future proof the Bank for a more digitalised world. The Bank established a hub-and-spoke model for the data science and analytics centre of excellence, which serves as a hub to provide leadership, best practices, research and advisory, but with decentralised data science and analytics teams supporting different business functions. Additionally, the Bank rolled out a number of in-house and online programmes for staff in the area of data science and analytics. These programmes will allow the Bank to harness the full potential of increased volumes of data for more evidence-based policymaking. They also complement our ongoing efforts to optimise our organisational structure and manpower requirements for emerging and critical functions such as IT risk supervision and surveillance, and IT audit.

We also continue to intensify our initiative to bridge the knowledge gap in the area of fintech at all levels of the organisation. These initiatives included leadership talks by experts from different fields and engagement sessions on a wide range of



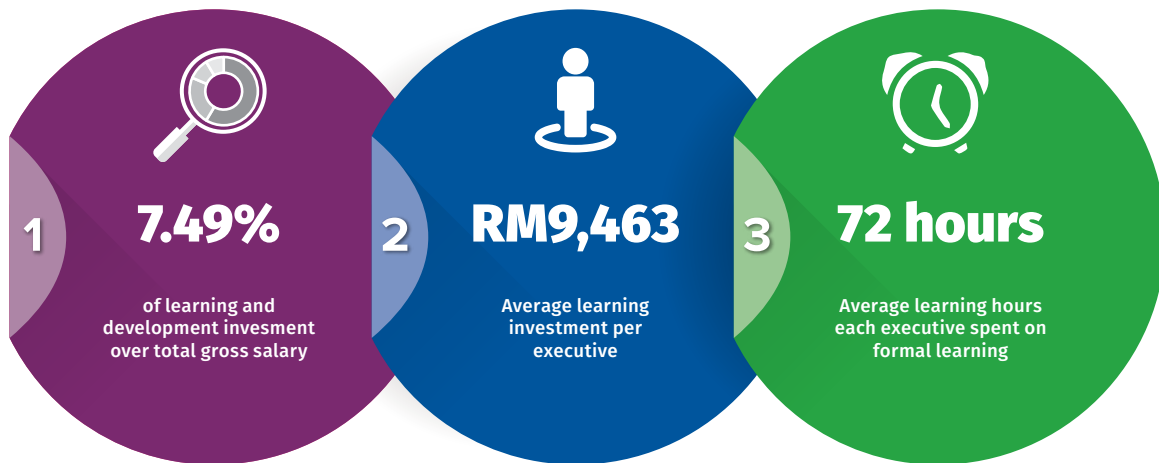
Governor Nor Shamsiah Yunus welcoming our new colleagues.

People

emerging areas, including digital transformation, cybersecurity, artificial intelligence and innovation. Aside from formal learning programmes, the Bank provides on-the-job growth opportunities for its

people. Opportunities are provided for employees to participate in a variety of Bank-wide projects and initiatives, including “stretch assignments” and international engagements.

Diagram 3.2: Learning and development in 2019



Source: Bank Negara Malaysia estimates using data from Gross Domestic Product Income Approach published by Department of Statistics, Malaysia