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Fintech's Impact on the Demand for Innovation for Training Human Resources Financial - Banking in the Period of Integrating

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Abstract

The technology platform in the industrial revolution 4.0 has facilitated the socio-economic development process, bringing many opportunities for businesses in the finance and banking industry to participate in the chain. Global value but also creates stiff competition in the context of fintech companies are expanding and developing. The most noticeable impact is that financial institutions and banks are developing in the direction of diversifying forms, applying digitalization, software and information technology to

management and transactions. In that context, human resources are considered a key issue for banks and financial institutions to develop sustainably. With qualitative research method, the article presents the current situation of human resource training in banking and finance at universities and academies, and makes recommendations to improve training quality in the near future. To meet the development of fintech in the field of finance - banking.

Keywords: Fintech, Finance, Banking

1. Introduce

Financial Technology (Fintech), one of the inevitable products of the 4.0 industrial revolution, is a term applied to combining finance and technology to create new products and services in the financial sector. Banking based on information technology and telecommunications platforms. In the past 10 years, the participation of Fintech has had a significant impact, contributing to changing financial and banking activities in Vietnam.

Digital transformation is the momentum that helps businesses adapt, recover and develop in the future. Human resources in the banking industry in Vietnam cannot avoid the impacts of digitalization stemming from macroeconomic issues, such as the development of the labor market, employment, wages, social inequality, Due to the need for digital transformation, banking organizations will have more and more needs for jobs that require adaptation to technology and high-level human resources. This may lead to the risk of shortage of high-level human resources in the banking industry. In Southeast Asian countries, including Vietnam as well as around the world, retaining and attracting high-quality technical talent is considered one of the most common challenges that banks and organizations face. Finances are faced.

2. Theoretical basis for Fintech and financial and banking human resources in the integration period

2.1 Overview of Fintech and banking and finance human resources

The 4.0 industrial revolution will completely replace distribution channels and traditional banking products and services with greater application of information technology, digital transformation applications, and banking products with can be integrated with many ancillary products and services to satisfy customers. One of them is the innovative use of the internet to help companies improve their business operations (Meyliana *et al.*, 2019) ^[5]. Technological innovation has led to the fusion of information technology and finance into Financial Technology (Fintech).

2.1.1 Overview of Fintech

- Fintech concept:

Fintech - short for Financial Technology, meaning financial technology. Fintech is a digital technology with a blockchain core, big data and smart investment consulting that is commonly used by all companies using the internet, mobile phones, cloud computing technology and software. Open-source code, creative application of information technology and

telecommunications to improve the efficiency of financial, banking and investment activities. In addition, the Financial Stability Board (FSB) (2019) has defined: Fintech is a new frontier technology, including AI (artificial intelligence), blockchain and big data to promote business models. Emerging, applying new technology and advanced product services [2]. In a more complete sense, according to Wikipedia citing Huffington Post (2017), Fintech is defined as a product of the 4.0 industrial revolution in the field of finance and banking [10].

The concept of Fintech can be given as follows: Fintech is the application of innovative, creative and modern technology to the financial-banking sector (banking, insurance, securities...) to compete with competitors. Traditional methods of providing financial services.

- Fintech applications:

Fintech is commonly applied in many fields, including:

+ Business to business (B2B)

The first subjects mentioned are businesses. In the pre-fintech stage, businesses were forced to go to banks to carry out transactions related to their companies such as loans and financing. That completely changed when fintech appeared, banks could execute the transaction orders that customers desired using mobile services.

In addition, with the rapid development of fintech, cloud platforms and corporate customer relationship management services, banks will help all customer transaction activities increasingly improve.

+ Business to customer (B2C)

In addition to businesses, Fintech also supports users with financial applications/platforms. The two most prominent technology applications today are PayPal and Apple Pay. These technologies all help customers transfer money via the internet. And budgeting apps let customers manage their finances and expenses.

2.1.2 Overview of banking and finance human resources

Human resources in the field of finance and banking are understood as people working in the banking industry, securities companies, financial companies...

International economic integration has opened the financial and banking services market according to international commitments. Finance and banking are currently one of the fields rated at a high level for information technology application and are heavily impacted by the industrial wave 4.0. Vietnam's banking industry has had many changes in organizational structure, operating methods, risk management, and service provision to adapt to the digital era. Besides, there are also great demands on the quality of human resources in the finance and banking industry.

According to VCCI (2020): there is a rather harsh labor elimination process in the finance and banking industry due to the scarcity of highly qualified workers to fill executive and operational positions.

2.2 Fintech with the need to innovate and train financial and banking human resources

2.2.1 Fintech's impact on the finance and banking industry

The process of economic integration with the application of fintech in the field of finance and banking has created an important foundation to help Vietnam attract large foreign capital flows at low costs. Besides, it is increasing

opportunities for foreign investors to enter our country's financial and banking market, helping to promote the process of transferring technology, knowledge, executive capacity and senior management. These positive factors are important levers for the finance and banking industry to develop effectively, in accordance with regional and international practices. Along with that process, there are many challenges facing the finance and banking industry.

Today, the development trend of Fintech not only focuses on providing old financial and banking products and services but in a new and increasingly diverse way. In particular, the impact of the digital technology revolution on the development of the banking system is increasingly clear with the emergence of a series of innovative banking products and services, as well as the birth of new channels. Distributing new banking services based on financial technology platform - Fintech. This has caused financial institutions and banks to face many challenges, specifically:

- *First*, the development trend of Fintech affects the existence of organizations providing retail financial services in the world, specifically banks. The market share of banks will tend to decrease for Fintech companies. According to World Bank (2020), by 2025, Fintech could affect the trend of decreasing profits of the banking sector by 10 - 40% [11].

Banks need to make comprehensive changes in the way they operate, provide products and services if they do not want to become an empty link in the financial system. And that change must start from building a digital strategy for your operating model. Because only digital technology can meet customers' integration needs in the fastest, most convenient and safest way - that is the difference compared to activities in the traditional business model.

- *Second*, expanding the bank branch network is no longer a priority in the competition between financial institutions and banks. Competing through expanding the network of bank branches in the digital era will no longer have much meaning, instead the technological factor will become an advantage for banks, especially for banks. Small scale, difficult in the race to expand market share.

The trend of "paperless banks" and "paperless financial institutions" will become popular and is a significant challenge for the financial services industry in gradually reducing the role of branches. Competition through Branch network expansion will gradually cease, due to high operating costs. Instead, modern financial technology competition has also become more intense in financial institutions.

- *Third*, the shift of customers using services from traditional channels to electronic and online channels. Mobile technology has shifted customer service needs to online transaction channels and smart mobile phones instead of having to go to bank branches to carry out cumbersome procedures. According to World Bank (2020), the shift in customer payment needs from traditional channels to electronic channels has exceeded 50% globally, in which electronic payment channels have become the dominant channel in many countries. Growing with nearly 90% of adult customers having user accounts [11].

In Vietnam, young people are quite familiar with Fintech and e-wallet services Momo, Timo, Grabpay by Moca, SamsungPay, ZaloPay, Payoo, Nganluong, Baokim... Therefore, banks and financial institutions Tradition is facing challenges, pressure is forced to be creative and innovative to survive and develop.

- *Fourth*, the shift towards omni-channel banking solutions (Omni - channel banking).

In the process of the digital technology revolution, financial institutions have no longer focused on developing multi-channel banking but have shifted towards developing omni-channel banking solutions, which are designed to enhance maximize customer experience. Through channelized banking solutions, customers can access banking services anytime, anywhere, with any device connected to the Internet in real time; at the same time, you can experience synchronization and seamless service across all transaction channels: Internet Banking, Mobile Banking, ATM... This approach also allows banks to analyze data related to their operations. customers through different channels, thereby more accurately predicting customer needs and preferences as well as enhancing the ability to communicate more effectively with customers; At the same time, increasing efficiency and improving operational performance by replacing manual processing processes with digital transactions.

In the context of international economic integration taking place increasingly deeply and comprehensively, Vietnam's finance and banking industry actively participates in international economic integration. The financial market is increasingly opening up - banks welcome foreign capital, and at the same time reach out to the international market, promoting investment outside the territory, posing intertwined opportunities and challenges for the banking and financial system. Vietnam itself. Making the most of opportunities and preparing to proactively control challenges will contribute to making Vietnam's finance and banking industry operate safely, effectively, strongly and gradually enhance Vietnam's position in the international arena.

2.2.2 Fintech's influence on banking and finance human resources

In the 4.0 Industrial Revolution, the impact of Fintech on the banking sector is the growing trend of digital banking, so there is a need for information technology (IT) labor to meet the digital technology trend (Brett King, 2017) ^[1]. Developing digital banking is no longer an option, but an inevitable requirement, forcing banks to promote the application of information technology in financial operations and transactions. The traditional banking system will gradually be replaced by modern banks, the shrinkage of transaction offices will reduce some job positions at banks such as tellers, retail... Even, some of these occupational groups are likely to be completely replaced by automation, robots...

According to a survey by the State Bank Strategy Institute in 2020, 96% of banks participating in the survey are building development strategies based on 4.0 technologies. In addition, 100% of banks also plan to expand cooperation with Fintech companies to provide banking products and services related to the fields of: payment (92%); digital banking services (76%); big data - big data (68%); Blockchain technology (16%).

Therefore, Fintech will bring many job opportunities for highly qualified candidates, not only with deep expertise in finance and banking but also with knowledge, understanding of technology, creative thinking and skills. Ability to adapt to change. For the past 5 consecutive years, positions of software development, information technology engineers,

and technology project managers have been regularly recruited by Vietnamese banks to serve the transformation process (Navigos Search, 2020) ^[6].

3. Research methods

The article uses qualitative research methods including two basic methods: data collection, synthesis and analysis and evaluation. Based on the synthesis of data related to the impact of Fintech on finance - banking human resources during the integration period, the article proposes solutions to improve the quality of human resource training in the finance - banking industry. Goods in the near future.

4. Current status of human resource training in the finance and banking industry in Vietnam

4.1 Result

Currently, Vietnam has more than 80 domestic finance and banking training establishments, providing society with abundant human resources in the finance and banking industry, basically meeting the number of workers in the current period. Integration.

According to statistics from the Ministry of Education and Training, the number of students studying finance and banking graduating in the 2019-2020 school year is about 29,000-32,000 students and by 2025 will be 61,000 students.

4.2 Limited and causes

4.2.1 Limit

In fact, the quality of human resources is still not commensurate with the potential and does not meet the requirements of technological innovation.

According to Navigos Search (2020): human resources in the banking and finance industry are about 50% surplus compared to actual needs. However, many job candidates lack skills, weak knowledge, and have difficulty adapting to change ^[6].

4.2.2 Reason

The reason for the above situation is due to the low quality of financial and banking human resource training. Universities and academies mainly provide theoretical training, which is still heavily academic, not highly applicable, not linked to users' practice, not updated with changes in the economy, and lacks practicality. Modern, internationally connected, at the same time, it does not pay attention to skills, lacks practice, and lacks opportunities for internships and real-life experiences for students. Therefore, students must retrain after graduating to meet real work needs;. In addition, there is no coordination mechanism between employers and training institutions. Besides, graduates' ability to withstand work pressure and foreign language proficiency are still limited. Therefore, when recruiting, businesses must retrain. On average, recruitment units take about 5 months to train new employees before officially working and it takes about 12 months for employees to confidently perform the job ^[6].

Banking and finance is considered the lifeblood of the economy, its activities cover most socio-economic activities, and intermediary activities are associated with the movement of the entire economy. On the other hand, the labor market in the finance and banking sector will change because technology can replace a large number of employees of banks, financial institutions, securities and insurance companies.... The decisive thing for the survival

and development of the company is people who are highly educated, well-trained, ethical, cultured and know how to work effectively... (Lester C. Thurow – MIT, 1996)^[4].

If economies in the region (Korea, China, Singapore...) have prepared high-quality forces, in Vietnam, human resources in this segment are still limited. According to forecasts, in the period from 2020 to 2025, the demand for high-level human resources in the finance and banking industry will increase by 20%/year^[9].

According to Le Thanh Tam (Institute of Banking and Finance, 2018), one of the major weaknesses of the current Finance and Banking industry is the serious scarcity of high-quality resources in many specialized fields such as development strategy. Development, risk management, international investment, international payment... and especially Finance and Banking experts with international degrees. According to IDG (2021), in Vietnam, human resources ready for digital technology are not high, university training programs change very slowly compared to trends. Meanwhile, currently many universities in the US have introduced artificial intelligence and machine learning textbooks into their teaching^[8]. That requires universities and academies to improve training quality, apply technology well in student training and better connect with recruitment units so that students have the opportunity to access careers. Service while still in school.

5. Recommend some solutions to improve the quality of human resource training in the finance and banking industry

The major and existing challenge of the finance and banking industry before the 4.0 Industrial Revolution is the scarcity of high-quality human resources - a decisive factor in the success of the integration process (Jan Smit, Stephan Kreutzer, Carolin Moeller & Malin Carlberg, 2016)^[3].

To meet the high and rigorous demands of the banking and finance labor market, Universities and Institutes need to grasp key changes and trends in human resource recruitment needs to Developing new training methods or models in the digital revolution era. In the coming time, implementing solutions to adapt to changes in the human resource market is necessary to ensure sustainable development, associated with the development trend of the finance and banking industry in the 20th century. Integer.

Integration requires a new level of human resource quality. Two important qualities to consider are the level of understanding of the market economy and labor productivity based on the application of science and technology.

In the coming time, to contribute to improving the quality of human resources in the banking and finance industry in Vietnam, it is necessary to focus on a number of issues, of which the focus is on changing university training programs and methods.

5.1 Innovate training programs

Universities and academies need to develop training program frameworks based on international standards; Build a set of standard textbooks according to standards in developed countries with modifications to suit specific conditions in Vietnam. In addition, it is necessary to reduce academic subjects, increase application, and adjust the curriculum to focus on interdisciplinary training, such as supplementing and in-depth training in financial technology industries., digital banking, e-commerce, information

technology management... Thereby, developing versatile human resources with enough necessary knowledge to keep up with modern banking technology trends. Not only the curriculum, training methods also need to be innovated, eliminating passive learning and textbooks, increasing practice hours, giving students the opportunity to access technology applications or operating models reality.

5.2 Innovate teaching methods

Universities and academies not only innovate training programs, teaching methods also need to be strongly innovated. In the current digital era, universities also need to research and add additional training majors in information technology, blockchain, and artificial intelligence to meet the human resource needs in the industry. Industrial Revolution 4.0... At the same time, focus on equipping students with soft skills, foreign language proficiency, teamwork ability, information technology skills and creativity to serve future jobs.

5.3 Deploy practical training models according to the requirements of banks and financial companies

With the purpose of training and comprehensive human development, graduates can work in any business environment. Universities, in addition to training knowledge, need to focus on soft skills and qualifications. Foreign language proficiency, the ability to work in groups and experiential activities help students maximize their professional skills and be able to work in real-life environments. Specifically: it is necessary to design a banking simulation practice room system with working areas for tellers, ATMs, computers and specialized CoreBank software... which is an ideal environment for students to grasp Get the actual working process.

5.4 Focus on interdisciplinary training

To improve the quality of human resources for the banking and finance industry, researching and implementing solutions to promote training institutions to expand cooperation with the commercial banking system to coordinate closely on training content Creating jobs associated with social needs is an urgent issue, ensuring sustainable development, associated with the development trend of the finance and banking industry in the digital era. Interdisciplinary subjects that need attention include: information technology in finance and banking, business analysis, financial technology, e-commerce, digital banking...

6. Conclusion

In the context that Vietnam is integrating more and more deeply into the world economy with the completion of many large-scale international negotiations, proactively equipping yourself with the necessary knowledge base to access achievements is essential. New technology from the 4.0 Industrial Revolution will help the Vietnamese economy in general and the financial and banking sector in particular achieve many efficiencies in the global value chain, accelerate the process of industrialization and modernization, positively contribute to the country's growth. The quality of human resources is not only about banking professional qualifications, but also includes skills in operating digital technology and compliance with operating procedures for providing banking products and services in a

technological environment. Information... Therefore, Universities and Academies need to grasp the trend of training human resources in the finance and banking industry to meet the integration process, including: professional qualifications, public operation skills. Digital technology, compliance with product supply operating procedures in an information technology environment.

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