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Talent Pool for Finance & Accounting Global Business Services: Industry-Academia Collaboration

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Abstract

In the rapid development of Finance and Accounting sector in Global Business Services (GBS) industry, there is a need to nurture quality and capable talent pool. One of the efforts is through industry-academia collaboration in offering of GBS course at the university. Universiti Kebangsaan Malaysia (UKM) together with TalentCorp and Malaysia Digital Economy Corporation (MDEC) collaboratively developed the first GBS Course in Asia. The course consists of three days of intensive seminar and ten weeks of case study project. Both seminar and case study project require direct interaction with GBS firms. The purpose of this paper is to assess the challenges of offering the GBS course faced by its stakeholders. Based on data gathered through survey and roundtable discussions with various stakeholders, this paper presents challenges in delivering the course content and achieving the course objectives. Findings suggest that the main challenges are commitment, time management and students' preparation. Despite these challenges, the course has direct impacts on the stakeholders as the GBS course heightens awareness on GBS industry among future graduates and help increase their employability in the industry.

Keywords: Global Business Services, Talent Pool, Impact, Challenges, Industry-Academia Collaboration

1. INTRODUCTION

Global Business Services (GBS) firms are designed to capitalize on the economies of scale which increases efficiency and cost effectiveness. This is achieved through centralising work, governance and processes from several areas into a single location (Wirtz et al., 2015). This is made possible with the availability of technologies and talent mobility. In Malaysia, the GBS industry is included as one of the focuses in the country's Economic Transformation Plan (ETP) and the National Key Economic Areas (NKEA) towards achieving high income, knowledge-based economy status by 2020. GBS industry is fast gaining momentum in Malaysia as more companies set up their GBS centres here. According to A.T. Kearney 2016 Global Services Location Index, Malaysia is ranked number three among the most popular countries to set up GBS centres worldwide. GBS industry is categorised as service sector and hence rely heavily on human capital. GBS is an integration of services that include Information and Communication Technology (ICT), Finance and Accounting (F&A), Human Resources (HR), and Engineering Design and Services. GBS model has changed the way F&A functions operates by changing the basic principles of ownership and governance (Maelah et al., 2011; Aman et al., 2012). The biggest challenge faced by F&A services in GBS industry is therefore in attracting and retaining talent with the specific knowledge and skills required.

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Higher learning institutions are the platform where future employees get education, knowledge and skills required by the industry. In recent years industry has raised concerns that the talents that come out of the higher learning system are not well equipped with skills required by the industry. The findings by World Bank and Talent Corp survey (Bank Negara Annual Report, 2016) laid down an eye-opening fact. The findings highlighted that firms think graduates are not ready for workplace but at the same time, firm's collaboration with universities are very limited. For example, while 80% of the companies surveyed think that the university curricula is not reflective of the current realities, only 47% of them have worked with university's career centres. Communication skills of graduates is stated as the major skill deficit by 80% of the companies surveyed but only 10% of them had experience in developing curricula or programmes with universities. Findings of this report indicates that to have industry-ready graduates, the job of educating future talents should not be left to universities alone to shoulder. To produce future talents that are industry-ready, the industry should play more active role and collaborate with universities especially in the development of programmes or curricula.

The interaction between academia and industry has evolved dramatically over the years from a distant, parallel relationship to a closer, more involved and more productive partnership. This is due to the current changes in the economy where both parties need each other to remain relevant (Ishengoma & Vaaland, 2016). In line with the government's effort to ensure sufficient talent pool for the F&A GBS industry; Universiti Kebangsaan Malaysia (UKM), TalentCorp and Malaysia Digital Economic Corporation (MDEC) have work together to develop and offer a new course on GBS, specifically designed to meet the talent need of the industry. UKM is the first university in Asia that offers this innovative course to students. It is intended to equip future graduates from various faculties with the knowledge and skills required to increase their employability in the GBS industry. For the students, this course will serve as an introduction and exposure to the GBS industry in order to provide graduates the confidence to start their early career in the Industry. At the end of this course, students will have the understanding of F&A GBS business culture, business process, management tools and improvement in their soft skills especially critical thinking, problem solving and presentation. Upon completion of the first cohort of students, there is a need to assess the challenges in implementing GBS course. The purpose of this paper is to assess the challenges of the GBS course towards its stakeholders. The research questions are (1) what are the challenges, and (2) how to overcome the challenges to ensure successful implementation.

The structure of the paper is as follows. Literature review sections presents overview of GBS industry and talent needs in the industry as well as industry-academia collaboration continues with the explanation on theoretical framework using Clements and Cord (2009) model. Methodology section introduces data collection through survey and roundtable discussion. Findings and discussion elaborate on the challenges and ways to overcome the challenges. This article ends with conclusion and implications to theory and practice.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

The rise of GBS model brings multiple Finance and Accounting (F&A) processes shared in multi-function, multi-region, multi-source and multi-business (Deloitte, 2013). F&A GBS is an arrangement that provides F&A services to clients who are other independent business units in the same company group (KPMG, 2012). Nearly 80 percent of large organizations have used an internal GBS concept for parts of their back office operation. Many large organizations find that both internal captive GBS ultimately will play a role in improving and transforming F&A operations (Deloitte, 2013). They have adopted new F&A delivery models in driving the performance of the organization. F&A GBS value chain covers important processes in finance and accounting cycles. This includes procure to pay, order to cash, record to report and financial planning and analytics. Each process often includes digital infrastructure, technology and analytics with lean approach to encourage transformation and innovation. Although continual advances in technologies and communications infrastructure allow GBS firms to gain access to pools of F&A talent at locations across the globe that were previously inaccessible (AT Kearney, 2014), most of the firms have not invested in the vision and infrastructures to support talent optimization that is in line with F&A strategy and processes. Hence, GBS continues to struggle to effectively manage their talent to ensure sustainable business outcomes.

Industry-university relationships have a long history (Bower, 1993, 1992). Industries and universities collaboration can benefit both parties. Benefits to industry include access to students, facilities, and faculty as well as a better corporate image (Venson,Figueiredo, Silva & Ribeiro, 2016; Fombrun, 1996). Universities benefits include an exposure to industrial practices, create employment opportunities, and gain access to applied technological areas (D'Este & Perkmann, 2010; Santoro & Chakrabarti 2002). Nevertheless, collaboration between industry-university present some challenges. Muscio and Vallanti (2014) findings identify main obstacles to technology transfer and its impact on industry-university collaborations. The challenges include: (1) misalignment of incentives between researchers and firms, (2) lack of academic procedures to ease the interaction with businesses, (3) misalignment between academic goals and technological transfer activity, and

(4) distance between academic research and business needs.

The biggest challenge in GBS industry is attracting and retaining talent with the specific knowledge and skills required by the industry. One of the initiatives in industry-academia collaboration is the GBS Elective Course, offered by Universiti Kebangsaan Malaysia (UKM) in September, 2015. This course is intended to equip future graduates with knowledge and skills required, hence increase their employability in the GBS Industry. This course will also serve as introduction and exposure to the GBS industry in order to provide graduates the confidence to start their early career in the Industry. The GBS course introduces the GBS industry to future graduates from various faculties to prepare students for better job employability in the industry. This course has been extended to other universities to increase talent pool for GBS industry. GBS course is offered as a 3-hour credit elective course open to students from various faculties. The course structure includes a three-day intensive seminar and a case study project at GBS firms.

This article will further explore the challenges in industry-academia collaboration using course delivery model by Clements and Cord (2009) as a theoretical framework, the model emphasizes on student's learning experience (Figure 1).

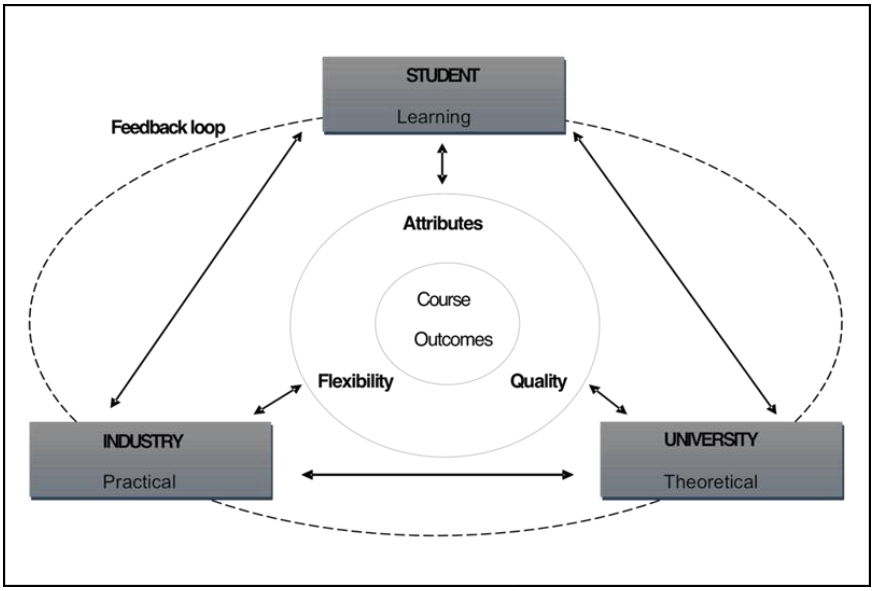

Figure 1. Course GBS Delivery Model (Adapted from Clements and Cord (2009))

Interrelationships and communication between three stakeholders provide the foundation to the success and sustainability of the course. The three key stakeholders for the course are identified as student, university (academicians) and industry (GBS industry practitioners):

Industry - Based on Clements and Cord (2009) model, proper collaboration with industry is vital to meet the job demands in the economy and ensure a sustainable supply of talent. Several scholars (Ishengoma & Vaaland, 2016; Mäkimattila et al., 2015; Feng et al., 2011) argue that partnerships between universities and industries are prerequisites for improved economic development. Further, industry participation is needed in the academic space not only to address the mismatch between graduates and employer demands (Talent Corp, 2016) but most importantly towards producing industry ready graduate. In the context of F&A GBS industry, GBS firms must be willing to participate by providing practical learning experiences to students. Sharing information on the GBS industry and mentoring case study project could enrich students' learning experience. This could be done by assigning a group of students to a selected F&A GBS firm in order to complete a specific task that contributes to a practical component of the course. Hands-on learning and engaging students with working environment is crucially important to ensure students' readiness in real work-life.

Academia - Many universities have formal policies for encouraging their academic staff to pursue industry assignments (Perkmann & Walsh, 2008). In today's competitive job markets it is important to have set of skills, as it will be a key advantage when looking to secure a role (Cavicchi et al, 2014). In fact, professional careers like scientist, engineer or even an accountant who have spent time in private or public companies are finding professional opportunities in academic sector. Their value in higher education is varied that enable them to provide unique perspective, share their skills and experiences to the students. Besides, academicians at the university could make necessary teaching arrangement and students' assessment. They should provide support

in students' learning processes by emphasizing on theoretical and practical knowledge. Apart from that, university's responsibility is crucially important in ensuring the success of the course including setting up the course, logistic, and enrolment processes, monitoring students experience and managing crisis.

Students - Student's learning experience where students develop their skills specific to their career path for future job success are significant (Clements & Cord, 2009). Enrolling in GBS course allows students to link theoretical knowledge and practical experience and develop their understanding on F&A GBS working environment. Indirectly, it leads students to a better understanding on their own abilities, talents and career goals, hence could improve their achievement (Perkmann et al. 2011). Students who are actively engaged are more likely to have higher ambitions than those students who are less engaged.

In order to ensure consistency of values and practice, commitment of the three stakeholders, it is very important to ensure its core attributes, quality, and flexibility. The course outcomes remain at the heart of the model, which is dynamic and evolving. The feedback and course evaluation from the stakeholders are important tools to measure the success of the course.

3. RESEARCH METHODOLOGY

This study uses qualitative research methodology. Qualitative data is gathered through roundtable discussion with representative from industry players and academia from accounting and finance area. The roundtable discussion was attended by 22 participants that discuss pertinent issues in relation to GBS industry in Malaysia. Themes were derived based on the issues that were discussed during the roundtable discussion. Feedback from students and industries were gathered through a simple semi-structured set of questions. Survey questionnaire was distributed to 25 students that undergone the GBS course from September 2015 to January 2016. The survey questions encompass issues related to the GBS course in general that includes awareness and understanding towards the implementation of the GBS course. The 25 survey data was collated and analyzed using basic descriptive statistics method.

4. FINDINGS AND DISCUSSIONS

Industry-Related Challenges - Findings indicate that indicated that 90% of the respondents agreed that the GBS course could contribute to talent pool for F&A GBS industry and have direct access to their own talent pool. The involvement of industry in running the course is seen essential as the main purpose of the course is to expose the students to F&A GBS industry**.** Engagement from people in the industry is of utter importance. This is in line with Clements and Cord (2009) suggestion that proper collaboration with companies is vital to meet the job demands in the economy and ensure a sustainable supply of talent. One of the main challenges is managing time especially when tasks must be completed within a specified time frame. Arranging time and getting access to the industry turns out to be quite challenging not only for the students but also to academics. Despite that, meeting and visiting F&A GBS companies exposed students to GBS working environment and improved their understanding about the F&A GBS industry. In order to overcome the challenges, industry could provide schedules for the meetings at the early stage of the course and students could arrange their time accordingly.

Academia-Related Challenges - Academicians expressed significant support for industry-academia collaboration in terms of the benefits related to their research. Their engagement with industry is driven by a desire to further their research rather than to exploit their knowledge. One of the main challenges faced by the academicians is the difficulty in promoting, attracting and engaging the right students to participate in the course. Logistic and administration matters, although may be seen as insignificant, can hamper the running of the course. The fact that the course is open to all students from various faculties contribute to challenges especially in arranging time and schedules for workshop and meeting the participating companies. In order to overcome such challenges, formal guidelines and proper scheduling could be implemented with the assistance from top management. As suggested by Perkmann and Walsh (2008), formal policies could encourage academia and their students to pursue industry assignments for a specified time. The academics proposed that the improvement on the current GBS course should be done perpetually.

Students-Related Challenges - Based on survey, 90% of the students claimed they enjoyed and benefited from the course. Most students are looking forward to future engagement with the firms either in internship or employment. GBS firms' participation in seminar and case study project has improved students' awareness and understanding of the exciting career in the industry. However, there are challenges that need attention. Findings show that students' attitude, commitment and motivation can become major issues. The students are also found

to be lacking in critical thinking and analytical skills. Other challenges are found to be related to time management and students preparation. F&A GBS industry is relatively new to most students who enrolled in the course. Despite that, companies expect students to have basic understanding of the industry. This expectation gap contribute to challenges in implementing the GBS course. In order to overcome this challenges, students should attend the three days intensive workshop where CEO/CFO of the participating companies will give some overview of their companies and related issues. As indicated by Clements and Cord (2009) and Blackmore et al. (2014) student's learning experience are important for them to develop their understanding and specific skills for their career path.

5. IMPLICATIONS & CONCLUSION

In conclusion, this study highlights the challenges in industry-academia collaboration when delivering GBS course for the development of F&A GBS industry's talent pool. Using course delivery model (Clements and Cord (2009), this study delineates the challenges faced by three stakeholders - industry, academia and students. Findings from this study suggests that the main challenges in offering the course include commitment, time management, guidelines and students' preparation. In order to overcome these challenges, the industry should continue provide access to academia and students with proper scheduling, while students must be prepared with some basic knowledge of the company and industry. The academia can improve in coordinating the organization of the course by providing relevant learning materials for promotion, selection of students and course guidelines to ensure successful delivery of the course.

Theoretically, this article extends our understanding on the course delivery model by Clements and Cord (2009) which explains industry-academia collaboration in facilitating learning by students. The model was primarily used to explain the link between industry, academia and students in the case of industrial learning (Maelah et al. 2014). The application of this model can also be used to explain the industry-academia collaboration in offering a university course such as the GBS course. The challenges faced by each party in the model are intertwined and must be resolved for the course to achieve its objective.

Practically, this article provides insights into industry-academia collaboration especially in developing talent pool for F&A GBS industry. As the F&A GBS industry expands, the contents of the academia curriculum should be adapted to the industry needs. The objective of the course should attempt to discuss and resolve the impending issues for the industry rather than limited to creating awareness. This will stimulate interests among the students to see F&A GBS firms as prospective employers and in part solve the current problem of attracting new talents in many F&A GBS firms. Greater visibility can be obtained through seminars or conferences, public lectures or write up in newspapers by relevant parties about F&A GBS industry-academia collaboration. Therefore, the future of the industry-academia collaboration is promising provided it continues to meet the expectations of its stakeholders.

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