

# *Ready for business*

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Bridging the employability gap  
The Myanmar perspective



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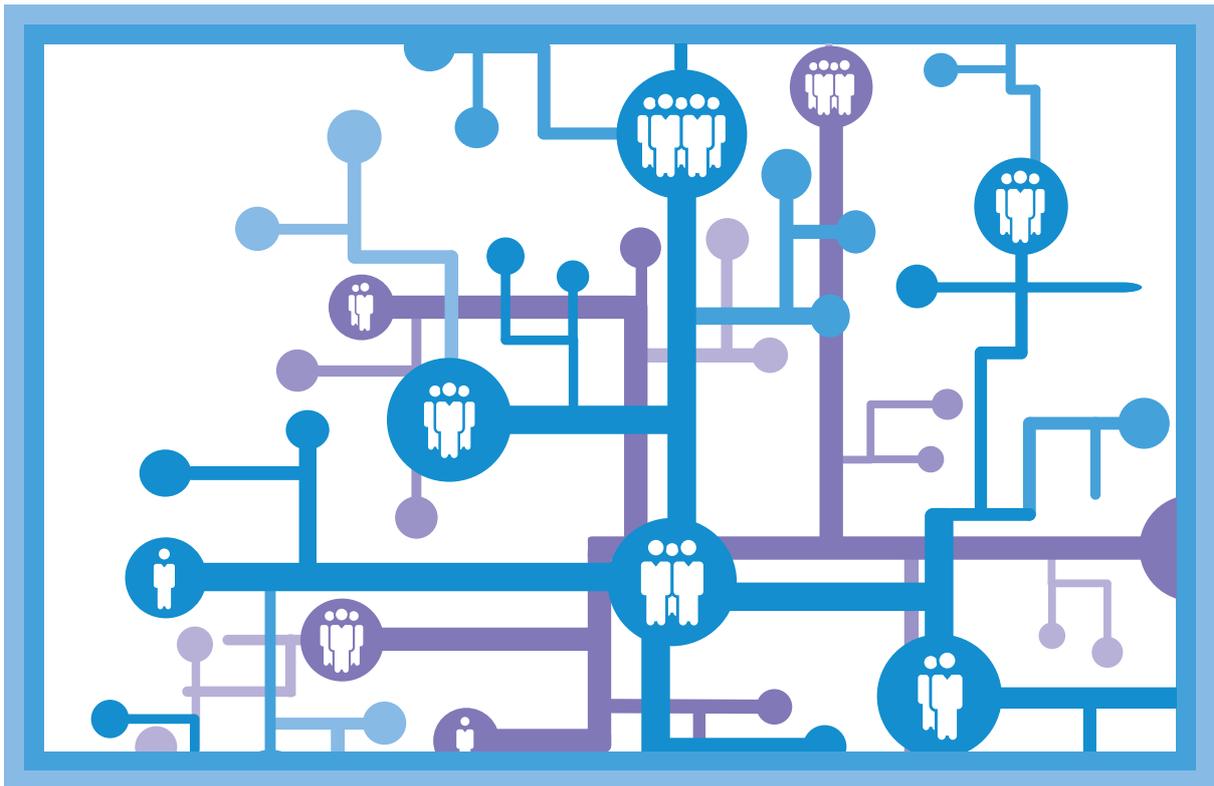
# 1. Introduction

Two roundtables were held recently in Myanmar as part of the CIMA Roundtable Series, to discuss the subject of the employability crisis.

A total of 18 panellists - from various sectors, such as oil and gas, financial services, FMCG, business advisory, recruitment, hospitality, pharmaceutical, capital market consulting, professional associations, technology and transport - spoke over the course of two sessions in one day, held in July 2014.

The panellists bring with them a variety of viewpoints and a wealth of experiences as some perform commercial or financial roles while others either a management role or a human resource role. This brings a rich, textured dimension to the conversation about employability and its relationship with sustainable success.

This report encapsulates the key points and views expressed by all panellists present at the two insightful roundtable sessions.



## 2. The Big Issue: The Employability Gap

Across the world, two challenges persist: unemployment and under-employment. Jobs are available but finding the right person for the job is a challenge.

While the employability gap differs from country to country, the underlying issues and related sub-issues share some similarities across borders.

The global employability gap is defined by two distinct challenges: unemployment and under-employment. The former is self-explanatory where the latter is defined by situations where skills exceed the role, or where there is a mismatch between the skills and roles.

The employability gap affects the tax revenue base and employers face challenges in sustaining success for their organisations.

Any effect on the tax base has long-term implications on national development plans. Less tax revenue can mean the welfare system is choked or development plans suffer shuddering halts.

Thus, employability is not an issue in isolation confined to the sphere of organisational productivity. Employability has far-reaching consequences that can change an entire societal landscape.



### 3. The Employability Gap in an Emerging Market: Myanmar

The challenges in bridging the employability gap in Myanmar begin with finding the right person with the right skills.

According to one panellist, there is a lot of demand for finance managers given the fact of companies entering Myanmar's emerging market.

Language difficulties, the lack of qualifications, the ability to sell themselves: these were the top-of-mind points voiced by several panellists when asked to articulate their frustrations with employability.

There was some agreement with this, while other more specific views were expressed.

For one panellist, the recruitment process at the management level brings its own issues. One frustration rears its head when candidates come to the interview not knowing what the job entails. They don't know what they are looking for in the future. They come with their standardised CVs and with money in mind but not knowing what the job is all about, while hoping someone from the company will teach them.

While a company may have a lot of talent development programmes, employees need to know what they actually want out of employment.

Further to this, another panellist echoed this sentiment – that fresh graduate interviewees, while having some core competency, do not know what they want out of a particular job or employment or even what the company is about. More importantly, they lack the ability to sell themselves effectively to the recruiter.

A case in point would be when the interviewer poses the question, "What is your interest?" to which the interviewee responds, "I don't know, you assign me whatever work, I'll just do whatever."

The other challenge is when a finance professional is hired and declares that he or she merely wants, as an accountant, to handle the full set of accounts and nothing more. The hiring manager then explains that, in fact, he or she needs to be able to handle other portfolios such as financial planning and business analyses.

This points to a glaring mismatch between job expectations and candidate.

For one panellist who requires engineering and finance employees, their target place of resource hunting is usually Singapore, when the Myanmar market falls short. This employer has even sourced personnel from Vietnam.

Despite candidates being in possession of professional qualifications, employers face difficulty in finding experienced personnel. "We have only 10-15 'big fish'," quipped one panellist; some personnel may move, some are comfortable where they are in their current role.

The overwhelming challenge in the Myanmar market, for employers, is talent sourcing, in that there is demand but little supply. This presents a challenge for corporate planning.

Where a company has laid plans to achieve certain objectives in, for example, a year, the challenges of employability may mean such plans may be achieved in two years instead.



One employer likes to employ locals who are returnees or who have studied outside of Myanmar. With the shortage of employable employees, companies find they have to recruit from other regional markets.

One panellist remarked that students and graduates are lacking exposure and English language skills because Myanmar has been closed to the world for so long.

“We train them in practical and technical courses, tailored to our needs via our in-house training,” explained one panellist, but employees still sometimes lack interpersonal skills.

As for their bank of knowledge, one panellist opined that “merely memorising is a disadvantage.”

Practical experience is very much encouraged.

There was consistent agreement across the board that in the Myanmar market, finding quality employees and retaining them are the main challenges.

“The good ones get jobs anywhere and move everywhere.”

It was also suggested that accountants must learn about “the outside world,” the business side of things,

not just within the company he or she is employed in, but external to that, too, in the market.

It was expressed that accountants tend to keep to themselves within a circle of accountants and this limits their world-view to that of an accounting perspective only.

Another panellist related his experiences, with limited success, of attempting to recruit graduates who were in possession of professional qualifications, from a pool of 50 candidates. He found that despite their excellent accounting skills, most of these professionally-qualified graduates lacked important skills: analytical and critical thinking skills.

Another panellist – while agreeing with the view that Myanmar employers face challenges in hiring graduates that lack critical and analytical thinking mindsets – added that employers also face a challenge in finding industry-specific experienced personnel within the country. This adds additional burden to the company that finds itself having to train employees to a worrying extent.

Training does not always produce the desired results, the panellist clarified, as some employees do perform to expectation post-training, while some – lamentably – do not, and remain as frustrated under-performers.



Communication skills, both written and verbal, that are requisite for employability, long-term success and talent development



As a subset to communication skills, language skills, in the lingua franca of business – English



Critical thinking and problem solving skills



## 4. Education: A Multi-faceted Challenge

A McKinsey report<sup>1</sup> found that 75 million young people globally are unemployed. The report also stated that 72% of educators felt that graduates were ready for entry level positions; 45% of graduates thought they had the skills desired by employers while 42% of employers said that their employees had been adequately prepared for work by their education.

One panellist was vociferous in what graduates need: strong technical skills, background business knowledge, business acumen and the ability to think outside the box.

*They need to know about more than South East Asia: they need a global mindset.*

Employers are facing a shortage of skilled and graduate employees. But even if employers are fortunate enough to hire graduates, they soon find the graduates' English language skills are poor.

"We have to upgrade our education system nationwide," expressed one panellist.

This is because the education system, it was said, was not training people to think, argue, reason or debate. This stems from the cultural norm where students are honest, hardworking and they listen and obey instructions but this has limited them from developing reasoning or a critical thinking mindset.

What employers want is an executive who will work and discuss with the management on strategy issues or argue against what needs to be done by the management.

The education system was cited as having failed to produce the sort of independent, critical thinking, analytical and problem solving graduates that Myanmar employers need currently.

A panellist suggested, based on recent talks with lecturers, that graduates must be encouraged to reason and to question.

Further along, another panellist brought a more specific, unique perspective.

"I don't care so much about what they study," he states unapologetically, "but they must possess initiative, character, drive and motivation."

"Some of my best people are from a business or economics background but they learn on their own. For example, they never learnt statistics in school but they learn on their own."

For this panellist, he feels it is more important to recruit people, especially in a Myanmar context, who have drive and initiative and not so much based on their academic credentials.

"Government schools do not prepare these people at all for working life, and that's really a big challenge for employers."

A possible solution is to repatriate experts back into the country.

The challenges with the repatriation of experts back into the Myanmar market include difficulty in cultural adaptation and attractive remuneration packages.

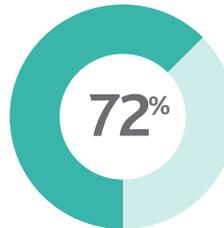
These challenges, however, pale in comparison to the daunting task of training other resources to be as proficient as these repatriated experts.

Most panellists were in agreement with the above views, with one panellist adding her perspective on recruitment.

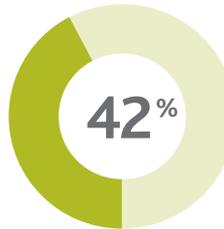
75 million young people globally are unemployed



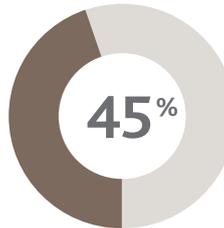
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Educators thought that graduates of their institutions were ready for entry level positions in their chosen field of study.



Employers said that, overall, their employees hired over the past year had been adequately prepared for work by their education.



Graduates expressed confidence that they were sufficiently equipped with the necessary skill sets desired by employers.



## 5. Skills vs The CV

A panellist said that even when an employer is faced with an impressive CV that reads of two decades of experience, the contents of the CV will mean nothing when the recruiter meets the candidate and finds him or her stumbling on a basic capability such as English language proficiency.

Again, other qualities and abilities such as problem solving, taking initiative, critical thinking, reasoning and thought processes were cited as having been found to be lacking in candidates, even with those in possession of impressive CVs and substantial experience.



**Influencing skills** – the ability to influence outcomes, processes or business results; the ability to garner buy-in from stakeholders or peers



**People-management skills**



**Critical thinking and problem solving skills**



**The ability to be an agent of change, or the mindset to see the opportunity for change.**

## 6. The Culture Outside The Cubicle

A somewhat tangential but related view was put forward in that employers in Myanmar have some role to play in developing the desirable qualities, abilities and skill sets among employees.

It was observed that in the past 25 years, the Myanmar market – due to many (but not all) local companies perpetuating this cultural norm – has encouraged obedient behaviour in the workplace that leaves little space for critical thinking or challenging, innovative ideas.

With the advent and entry of more global companies entering the emerging economy that is

Myanmar, there may be a mismatch between the cultural norm of local companies in Myanmar and the need to have less traditional behaviour in the next generation of professionals.

The employees may find that they have been working a certain way, but now find that they have to “switch completely” (in mindset and behaviour) in order to stay relevant and employable.

One panellist admitted that the local culture in Myanmar has been one where shyness or excessive politeness (as opposed to being ‘bold’ or questioning in the office) is very much the norm.



## 7. The Generational Debate

At odds with the view that Myanmar graduates are trained to be obedient, one panellist noted that she experiences many Generation Y graduates who walk into interviews brimming with over-confidence stating boldly, while carrying disproportionately high, unrealistic expectations, that "they can do anything."

The challenge is that they do not know what they want, while simultaneously (perhaps even misguidedly) believing they can do anything. Their failure, generally, is the inability to map out their career.

This is in contrast to experienced finance professionals who are very qualified in finance and possess absolutely competent technical skills, but do not have the skill sets needed to progress to, at the very least, even middle management.

Additionally, several panellists agreed that there were generation-specific challenges that presented themselves in the new army of employees known as Generation Y.

There was agreement that this Gen Y group of workers sought more meaningful work and life activities; a better work-life balance, that they can sometimes be more interested in charitable or communal service rather than material or financial security.

More to the point, employers recognise that Gen Y jobbers cannot be pushed too hard in a work situation, or "they will leave." This presents a new facet to the existing challenges of bridging the employability gap.

A comment was made that Gen Y jobbers lack self-discipline when their attention at work is diverted to social media, which can suck a person's productivity in the workplace to a detrimental extent. While employers do issue memos and edicts that spell out that there needs to be more focus on work rather than digital socialising, employers recognise that technology, while good for automated work processes and systems, has made it difficult for some employees to maintain clear work-social media boundaries in the workplace.

## 8. Career mapping: What it takes to go from A to GM

A key point that was raised on more than one occasion was the frustration interviewers and recruiters face when they ask the question, "Where do you see yourself in five years' time?" In many cases, an interviewee may reply, "I want to be a GM."

The crucial challenge for employers is this: interviewees not only do not know what the process of becoming a GM entails, but also that the process requires more skills than mere educational excellence and technical competency.



## 9. On-the-job Training: Learn And Apply?

The subject of experiential learning was brought into the discussion, as was the subject of the most desirable employability skills as defined by the UK Commission of Employability and Skills (UKCES)<sup>2</sup>.

Would a solution to the employability gap be an integrated approach to learning whereby academic knowledge acquisition is balanced in equal parts by experiential on-the-job immersion (a real-life experience that goes beyond mere internship)?

This was the question posed to panellists in order for them to relate their experiences and share their insights.

One panellist shared his observations of a European system whereby there was close collaboration between employers and universities. In this collaboration, graduates are selected by employers to intern at that company in a situation very similar to an actual employment experience. This system, remarked the panellist, benefits both student (who is, by definition, a future potential hire) and employer.

Additionally, it was pointed out that Myanmar does not have enough companies and employers who offer meaningful internship opportunities.

Practical work placements that are made compulsory in tandem with university course work is not yet the norm in Myanmar, where traditionally, the cultural norm sees parents preferring their children to pursue full-time educational study that is not 'interrupted' or 'diluted' by practical work placement.

Another panellist pointed out that the motivation, desire and curiosity to learn – especially subjects outside of the job scope – was quite lacking in employees and the recently recruited, even if their technical skills were up to par.

A person's learning capacity, or even the desire to learn – even during on-the-job training – is sometimes lacking even at a later stage of employment.

The desire to grow was often found to be lacking in entry level candidates. Motivation beyond mere salary earning and working strictly within their job scope: this, as one panellist noted, was both a challenge to employers and detrimental to the candidate.

*This is sometimes known as the 'aspiration gap.'*

What was also lamented by another panellist was, within the Myanmar market, the lack of mentoring and guidance for long term career development.

In the same vein, the importance of regular feedback and coaching specifically from line managers was stressed. More to the point, line managers, in this capacity, need to be more than line managers: they need to be effective people managers.

Another panellist emphasised the importance of leadership while another panellist stressed the need for decision making skills even if the candidate had critical thinking skills.

## 10. The Financial Consequences Of The Employability Gap

One panellist astutely pointed out that though Myanmar is enjoying the flush of opportunity and potential growth resulting from the market opening itself up to global partnership and participation, businesses are constrained by the employability issue.

*To illustrate, he remarked that business owners or managers can “run ahead” with ideas, but it becomes problematic if “nobody follows.” Businesses are constrained in growing if there are no persons to implement and execute the great ideas that come from visionaries or leaders.*

In the face of a persistent employability gap, the Myanmar market – in its first phase of exciting potential new growth – can find it hard to develop as fast as it could or should.

From the perspective of a professional body representative, however, the issues reach farther back and the solutions suggested were far more holistic.

There is a need to change the curriculum, change the training, redesign the courses and curriculum to employer needs, and realign the expectation that the government must do everything (but, the government lacks the resources, he added.)

Private institutions must open and widen the entry point for accountants; not just take economics graduates, but take in graduates who hold merely a diploma in accounting too.

This will hopefully, he added, increase the number of accountants and raise the standards of accounting.



## 11. Money Talks

There is an impact on the cost structure of a company when employers find it difficult to hire a finance manager. One panellist remarked that he found himself having to offer double the average packet normally offered to a potential finance manager.

While it is fair to hope that accountants can expect better salaries as time progresses, from an employer's perspective it is equally important to maintain a company's cost structure.

Possible solutions were put forward: build up the talent pool internally, train them, and incentivise the process with both aspiration and remuneration.

The evolution of management styles has seen old power structures - where bosses had complete authority and would 'order down' - decentralised with greater transparency (within and without) demanded and effected company-wide.

The key challenge for employers, as one panellist noted, is to train their talent to perform finance roles as better, qualified people, whilst maintaining the company's cost structure.

The disparity in the salary structures between local and expatriate accountants is also a challenge for employers.

The mushrooming of international companies in Myanmar has also seen salaries becoming inflated as these MNCs rush to hire people, even if - as one panellist cautioned - they are not the best-fit people. The disproportionate inflation of salaries is and will remain a challenge for employers.

Offering a disproportionately high salary, as the panellist remarked, is neither the only nor the best way to hire the best person for the job.

Some candidates, as one recruitment specialist pointed out, will balance out high salary expectations if they can work with a company that they can grow with.

Interestingly, as one panellist noted, an adjustment in employer expectations may help close the employability gap for finance professionals. As he explained, traditionally, an employer would expect a Bachelor of Commerce degree as well as a CPA qualification before hiring a person as a finance employee. With the advent and entry of multinational companies into Myanmar, some companies may overlook the absence of a CPA qualification and opt to hire a finance professional who had perhaps served for five years as a finance manager, and possibly if the person possessed a degree that was not a Bachelor of Commerce.

For certain companies they want a CPA-qualified person, but there are qualified people who do not have a CPA qualification, he added.

This underlined a previous point made by another panellist that proposed the widening of entry criteria for finance graduates and employable candidates.

One panellist emphasised how valuable an employee - especially an accountant - can be to a company when the person is in possession of interpersonal skills that enables him or her to "go around" to the different sectors of a business, learn about the business or even help with some of the challenges faced by these various business divisions outside of the finance department.



The ability to create and build relationships to the point where colleagues find themselves relying on their finance colleague: this was an ideal scenario for one panellist, from an employer's perspective.

If the company were to lose such a valuable asset and find it difficult to replace this person, offering a higher salary may not help close the gap.

Based on human capital research, one panellist said, by 2015, Myanmar will face a shortage of PTEMs: Professionals, Technical, Engineers and Management. This means, explained one panellist, employers need to source the talent now or it will be too late.

By geographical area, the most potential-filled markets from which to source the technical talent would be Singapore, whereas for financial professionals the greatest markets would be United Kingdom, Australia, Singapore and Vietnam. These are the target areas.

Repatriation is seen as unattractive as 50% of the candidates do not return. Educational opportunities for children and an uncertain political landscape were cited as some of the reasons for their reluctance to return.

The reasons for those who do return include family reasons (the need to care for ageing parents, for example) or some sense of national patriotism.

The point, as this panellist concluded, is that some nationals were willing to return to work in Myanmar and take a lower salary than the one they were drawing overseas if they felt there was some developmental opportunity within the company that would have some impact on Myanmar's development at large.

Ultimately, though, as the panellist qualified, employers have to find the right person for the right position.



## 12. The Evolution Of The Finance Professional

There was, on the whole, agreement from the panellists with the CGMA framework on core competencies for finance professionals: core accounting and finance skills, business acumen, people skills and leadership skills.

Generally, panellists across the board not only agreed that the framework was relevant and insightful, but it was a framework they would share with their finance team in an effort to 'educate' the team that these are the skills one needs in order to evolve into a better finance professional.

*For some, the weightage of importance between the four core competencies differed according to industry and work scope.*

For some, people and leadership skills were cited to be as desirable as technical and core accounting skills, as was business acumen and the desire to know and learn about other aspects of the business outside of the finance function.

Finance professionals need to develop some sense of a service culture, one panellist noted, and develop influencing skills to get buy-in into policies and strategies, and deliver 'customer' satisfaction, where in this case, the customers are internal stakeholders, peers and management.

Communication skills were also cited. There is a need for finance professionals to expand their communication effectiveness outside of their own finance division sphere of peers and associates.

One panellist added that accountants and finance professionals need to be able to obtain, process and integrate information external to the business in order to help the business thrive in profitable and cost effective terms.

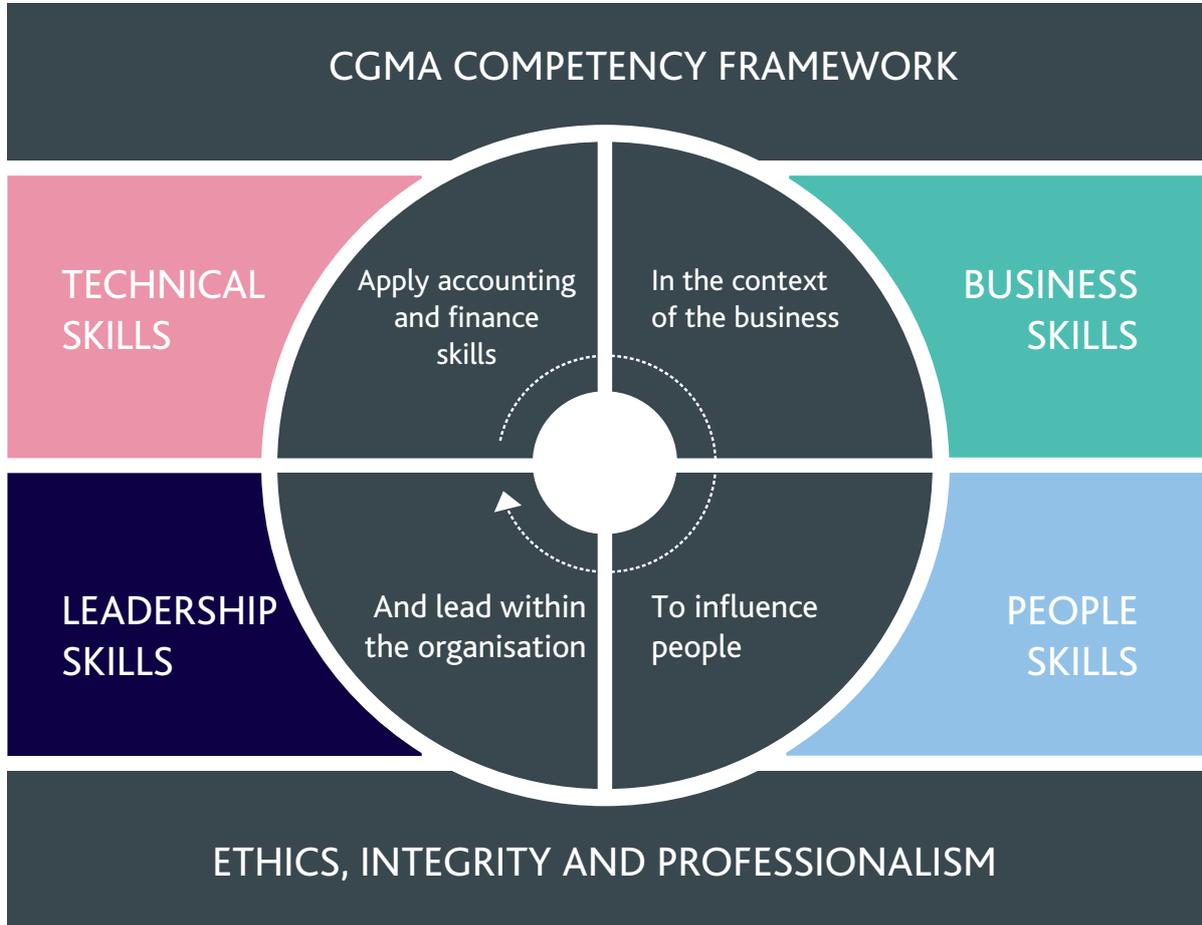
"Only then will the value of accountants be added and respected by the management and within the organisation."

The overwhelming view was that communication skills and influencing skills were very much desired qualities that accounting and finance professionals need to possess, especially when one considers that the other members of the organisation can be considered the 'customers' of the finance division. From the Myanmar perspective, accountants must evolve from being mere financial gatekeepers.



### CGMA Competency Framework

The CGMA Competency Framework comprises four knowledge areas - Technical Skills, Business Skills, People Skills and Leadership Skills. These knowledge areas are underpinned by ethics, integrity and professionalism.



## 13. The Role Of Business In Bridging The Employability Gap

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For several panellists, there was a common, repeated refrain: organisations must change their recruitment process, policy and approach.

One panellist raised the point about local organisations and international organisations in Myanmar; collaboration between these two is needed, he explained. Local companies may not have the resources to offer attractive packages unlike the international companies that feel a greater sense of urgency in hiring the right candidates and so offer more competitive packages, especially if they have the resources to do so.

Collaboration between local and international organisations in moving forward together for mutual, sustainable success, as a panellist suggested, is key to closing the employability gap in Myanmar.

Additionally, in helping to close the employability gap, employers can go beyond seeing employees as mere resources and to view them as capital. In short, look at the issue of human capital and not look at it as an issue of human resource.

“You can have everything but human capital - then, it doesn’t work.”

The role of HR becomes more crucial and pointed, said another panellist, and business heads have to re-look at employment terms - for example, more flexibility - as a possible solution to getting the right human capital for the company.

Further to this, the panellist added, employers may need to collaborate with educators in order for educators to understand what kind of human capital is most needed by employers.







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