COVER STORY

# Providing business services to the world

Thashinee Krishna Kumar

A lot of the session and initiatives are being put into developing the talent pipeline for GBS.

*What GBS brings to the table today is beyond the financial career path, moving towards support and management jobs, and taking the financial element out of it and looking at career growth from a broader perspective.*

**VINNIE RAVIRAJ,**
Sutherland Global Services Malaysia
director of global initiatives

EVEN imagine offering international companies located halfway across the world solutions to their human resources or information technology (IT) issues? Or doing business and market research and analysis that create opportunities-wide open for global corporations while sitting in an office thousands of kilometres away in Malaysia?

This is a familiar scenario for those working in the Global Business Services (GBS) industry.

Poised to record a growth of 12 to 13 per cent in the next five years, the local GBS industry has grown from commodising simple functions such as data entry, IT coding and payroll processing to more complex ones such as legal services, procurement, requisition, payment processing, financial reporting, human resources and healthcare and market research for local, regional and global organisations.

Having created more than 80,000 jobs, the industry still has problems sourcing and retaining suitable talent with the right qualifications and communication skills, right attitude and ability to think out of the box. The problem lies in the fact that the public still perceives GBS (previously known as shared services outsourcing) as an industry that has vague career progression. They think that joining the industry means one will be stuck at performing "backroom" functions.

To address the talent gap, a number of initiatives have been put in place — not least academia-industry collaborations to develop industry-ready talents for the GBS sector and to highlight career prospects.

LEARNING THE ROPES

Thashinee Krishna Kumar, a final-year accounting student from Universiti Kebangsaan Malaysia (UKM), joined one such initiative — the university's Global Business Service Course — specifically designed to meet the needs of the sector.

A first for Asian universities, the course equips future graduates from various faculties with the knowledge and skills required to increase employability in the GBS field. The course structure includes an intensive three-day seminar and a case study project at GBS firms.

At the end of the course, students develop an understanding of GBS business culture, business process, management tools and improve their soft skills especially critical thinking and problem-solving. Ninety per cent of the learning is mentoring by select GBS firms.

"Throughout the GBS course, we were exposed to the industry. We were separated into groups of five and given a case study which involved issues faced by GBS companies. We conducted research to come up with solutions to problems. We attended a workshop conducted by speakers from the GBS arena and gained a clearer picture of the operations and services of GBS companies," said Thashinee.

"We were exposed to various industries, regardless of our educational background. For instance, I am from the Faculty of Accounting and my group was assigned to T-Systems Malaysia which provides IT services. We interviewed the human resource manager and met the managing director. We worked as a group to complete our research, came up with solutions and presented case to people from the industry," she added.

By attending the programme, Thashinee — along with the other attendees — gained the opportunity to intern at GBS companies and some even secured a job upon graduation.

"There are various work opportunities in this sector. It gives employees a chance to explore their talent and prepare themselves to be competitive at an international level. The exposure to this course has given us the confidence to work in the field. The programme is an excellent avenue for students who are preparing to enter the workplace."

Fellow coursemate Muhammad Syamil Amini Mohd Rodzuki was assigned to IBM where he and his team were tasked to come up with an idea to reduce carbon footprint.

"The task was quite difficult for us as accounting students — reducing carbon footprint is not our specialty. This task moved us out of our comfort zone to view the problem from a different perspective," said Muhammad Syamil Amini.

During the programme, he enhanced his networking skills with GBS companies, especially IBM. The experience also improved his time management and his ability to communicate in English.

"After the programme, I completed my industrial training at the GBS company, Huntsman Global Business Services Sdn Bhd. It is one of the shared services centres for Huntsman Corp in the United States. The experience allowed a student like me to explore international economics and the currencies system, and how world events affect a firm.

"After joining the programme and industrial training, I am well aware of the workings of the GBS industry and it has so much to offer students. The GBS programme can strengthen one's soft skills and add value to one's resume," he added.

## WHAT IS GLOBAL BUSINESS SERVICES (GBS)?

- Previously known as shared services outsourcing
- It is about centralising work, governance, business practice into a single location
- The objective is for scalability, lower costs and optimised processes in business organisations

**Impact of GBS**

- Change the way business organisations work
- Change nature of jobs
- Create new jobs with different skill sets requirements

**Facts**

- Malaysia is home to more than 450 GBS firms (2015 figures)
- 30-45 new firms add their footprints in the country
- Average annual growth of 22 per cent globally which creates employment opportunities

## PROSPECTS

Sutherland Global Services Malaysia director of global initiatives (APAC) Vinnie Raviraj said many graduates do not realise the opportunities GBS offers in terms of a career path.

"In the finance and accounting sector, for example, graduates have been culturally trained to look at the career path from a technical point of view — moving from one level to the next.

"But what GBS brings to the table today is beyond the financial career path, moving towards support and management jobs, and taking the financial element out of it and looking at career growth from a broader perspective," said Vinnie.

Dutch Dr Chua Hock Hai

The eastablishment of Sime Darby Global Services Centre, which has 510 employees and provides services such as human resource management, finance, procurement services and IT to hundreds of operating units in the Sime Darby Group, illustrates this.

Sime Darby Global Services Centre group head Victor Lam said: "When Sime Darby started its shared service, its intention was to take over transactional processing work in its various companies such as the processing of invoices, handling of customer receipts and payment of supply invoices. But as tech tools became more sophisticated, those providing the services moved up the value chain to provide higher value services and are now handling end-to-end business processes."

The GBS concept is also helping to develop entrepreneurial businesses away from cities. Accounting firm Cheng & Co founder and managing director Professor Datuk Dr Choo Hock Hai said its accounting shared services outsourcing arm Pro B Centre in collaboration with Keensoft Sdn Bhd, a cloud accounting software provider, provides hands-on training in accounting outsourcing services to aspiring accountants who wish to stay in their hometowns.

"Our industry has a turnover rate of more than 30 per cent. But while we have a shortage of talent, we can train the unemployed in smaller towns and create jobs via the outsourcing model," he said.

## CHALLENGES

Perception and awareness remain the most critical challenges for the GBS industry in the country, said Outsourcing Malaysia director Junior J. Anthony, adding that there needs to be a cohesive effort to boost the GBS ecosystem that does not only focus on the academia to come up with the right talents.

"If you go to the Philippines, everybody is aware of BPO. We are not at that point yet. Parents are not receptive to the idea of their degree holder children working in the industry. The industry and the academia have to guide them on the benefits of being in the industry. More companies in the GBS industry need to come forth, with the backing of the government, to help build the industry," he said.

Malaysian Digital Economy Corporation Talent Enablement director Tan Heather Mohd Sahar said there are work-and-learn programmes at universities involving GBS companies.

"When students have an opportunity to be part of the process, they will better understand what's involved in being part of the industry and they will be clear on the various roles in the GBS industry and the career progression available," she added.

## Building the industry

Tan Ahmad recording with Clifford Acid research team members.

A session underway at a GBS training lab.

Universiti Kebangsaan Malaysia (UKM) is taking a lead role among its academia to help build the Global Business Services (GBS) industry via the GBS@UKM programme run by its Faculty of Economics and Management.

Headed by Associate Professor Dr Ana Aman, UKM has established partnerships with Malaysian Digital Economy Corporation (MDeC) and TalentBank to develop an elective programme known as the Global Business Service Course.

"We are the first university in Asia to offer the GBS course. We have conducted the course for three semesters consecutively, from September 2015 to December 2016. We started with 35 to 39 students in the first semester. In the second and third semesters, the number of students increased to 52 and 116 respectively," said Ana.

The course has been extended to universities such as Nottingham University Malaysia, the University of Sultan Zainal Abidin (UniSZA).

In addition to the GBS course, several GBS firms have set up GBS Training Labs in UKM to provide hands-on learning experiences to students. The lab provides essential resources for GBS firms, academicians and students to learn and share knowledge in all aspects of GBS.

For example, UKM and Symtax 4, with support from MDeC, set up the Impact Sourcing Lab at UKM in September 2015 to provide IT-related services. A few GBS firms are planning to establish GBS Training Labs from next month onwards.

In the latest memorandum of understanding, Cheng & Co's shared services outsourcing arm Pro B Centre will collaborate with Keensoft Sdn Bhd, a cloud accounting software provider, to provide hands-on training in Accounting Outsourcing Services.

Softbytel Group and Sutherland Global Services Malaysia will follow in their footsteps by engaging students from not only the Faculty of Economics and Management but also the Faculty of Information Science and Technology, Faculty of Science and Technology, and Faculty of Social Sciences and Humanities. The aim is to ensure that students gain experience from working with GBS firms in the areas of accounting, business and IT processing.

GBS firms and practitioners involved in the GBS@UKM programme include Sime Darby, AMD, Shell, BIT, IBM, Aegis, Tech Mahindra, Xerox, Citibank, T-Systems, City Group and BASF.

Participation from the GBS industry and practitioners is important to enrich graduates with work experience and professional ethics and competencies. Hence, close cooperation and a collaborative effort are critical to achieve the aim of producing better graduates with knowledge and skills in the country.

Behind this programme is the GBS Research Network (GBSRN). The network represents a strong research team that has been studying evolving practices of accounting, business and IT services for more than a decade. "This group is dedicated to carrying out both academic and high impact research into how organisations source and manage finance and accounting, business processes and IT services in a global context," added Ana.

The GBSRN extended network includes thought leaders, policy makers, practitioners and postgraduate students focusing on producing a stream of top academic research and practitioner-oriented outputs.

"The aim is to support GBS@UKM as a leading GBS research and training centre in Malaysia, Asia and beyond."