

# Innovation Research on the Cultivating Path of Financial Talents from the Perspective of Policy Tools

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**Abstract:** The major social contradictions in the new era have been transformed. The lack of financial talents that meet the requirements of market changes has become an important obstacle to the development of financial industry in the new era. How to innovating the ways and methods of cultivating financial talents and build a talent team that can meet the needs of information and network development in the new era is the focus of financial circle. In order to solve this problem, we should make reform and adjustment from the policy tool of talent training. Take the financial structure change, system change and internationalization development trend of the new era as the starting point. According to the principles of market, scientific and technological, as well as international, to reform the traditional training mode of financial talents. Taking policy tool elements such as strategic planning, organizational management, performance evaluation and data information platform construction better integrated into the training path of financial talents.

## 1. Introduction

Finance is like a double-edged sword. Sometimes it can improve social welfare and promote economic growth, and sometimes it can drag down economic development and bring huge social costs.<sup>[1]</sup> The report of 19th National Congress of the Communist Party of China clearly pointed out the need to build “modern finance” and continue to “deepen the reform of the financial system and enhance the ability of financial services to serve the real economy”.<sup>[2]</sup> In the process of promoting the modernization of national governance and building a moderately prosperous society in all respects, finance must be put in an important position in order to ensure its positive function. There is no doubt that the development of finance must be carried by human beings. The most competitive weapons of the 21st century are the education and skills of the workforce.<sup>[3]</sup> Talent is the focus of maintaining competitiveness, the foundation of quality service and the catalyst of industrial innovation. We must accurately control the new trend of financial development and achieve the goal of modern financial construction. Thereby, we can cultivate a financial talent team that can meet the requirements of the informatization, cyberization and internationalization of the new era through the innovation of the ways and methods of financial talents training.

## 2. Trend: the new trend of financial development puts forward new requirements for talent training

Policy tools are technical means of governance, and the same combination of policy tools may have different effects in different environments. Effective policy tool selection must clarify complex policy environments and adjust to changes in the internal and external environments. Since the policy of reform and opening up in the year of 1978, the status of finance in the socialist market economy has been continuously enhanced, becoming an important part of the national strategy. Facing the fact that socialism with Chinese characteristics has entered a new era and major social contradictions have been transformed, the policy environment for financial talents has also undergone corresponding changes. New trends have emerged in the new era

## **2.1 Changes in the financial structure**

Generally speaking, financial structure refers to the distribution, existence, relative scale, mutual relationship and the state of mutual cooperation of all components of the finance. In recent years, with the rapid growth of financial products and the emergence of financial instruments, China's financial asset structure has undergone significant changes. In particular, the proportion of securitized financial assets has been increasing year by year, which has become one of the most important characteristics of the change of financial asset structure. It is precisely because of this remarkable change and the improvement of China's financial marketization degree that it will have a profound impact on the cultivation of financial talents.

## **2.2 Changes in the financial system**

The financial system is the basic framework of capital flow in an economy. It is a combination of financial elements such as the tool of capital flow, market participants and transaction mode. If one of these elements changes significantly, the entire financial system will change with it. The traditional financial system has been replaced by the modern economic system based on the Internet platform because of the constraints of time, space and physics. In the new financial system, new science and technology is an important factor that cannot be ignored. In particular, along with technological innovations such as Internet finance, third-party payment and blockchain, science and technology is affecting the state and functions of finance with unprecedented intensity. Therefore, the new changes in the financial system require financial talents to be full of awareness and understanding of new skills and technologies.

## **2.3 Internationalization of financial markets**

In recent years, the speed of financial internationalization in China has gradually accelerated, and foreign capital's shareholding ratio of Chinese financial institutions except commercial Banks has been opened to 51%. China's financial internationalization will continue to move forward steadily and the pace and extent of opening up will be significantly accelerated. China's financial liberalization will start from the shareholding ratio of financial institutions to further promote and realize the reform of full free trading of RMB. Up to now, the RMB is still subject to a lot of restrictions under some capital accounts, and it is not a completely freely traded currency in the true sense, which is incompatible with China's status as an economic power. Therefore, in order to achieve financial power status commensurate with China's economic power, it is necessary to realize the internationalization of its currency. Undoubtedly, the realization of this goal raises higher requirements for the cultivation of financial talents.

## **3. The principles of cultivating financial talents**

Policy instruments cannot be combined at will, because in most cases it is impossible for government to verify all viable alternative policy options. Practices often choose from a larger or smaller set of tools depending on the context.<sup>[4]</sup> As mentioned above, the three trends of financial structure, financial system and internationalization of financial market in the new era put forward unique requirements for the cultivation of financial talents.

### **3.1 Market principle**

The training of financial talents needs to be market-oriented. The third plenary session of the 18th CPC central committee clarified the decisive role of the market in resource allocation, and whether to meet the needs of society is the touchstone of talent training. The cultivation of financial talents should pay attention to the two dimensions: market adaptability and knowledge ability.<sup>[5]</sup> On the one hand, China's socialist market economy is gradually expanding and deepening its openness. In July 2017, the fifth national financial work conference proposed many policies, such as the monetary policy control mechanism, the finance should serve the real economy, strengthen financial regulation and continue to deepen financial reform.<sup>[6]</sup> The emergence of these new trends requires us to update our ideas and firmly establish a new market-oriented concept in the process of

cultivating financial talents. On the other hand, only when financial talents return to the market can they play their role of the value-added effect and create greater social value. Human capital is a reflection of the quality of talent. In most cases, the accumulation, investment and expansion of human capital are realized in the market.

### **3.2 The principle of science and technology**

The development of financial talents is supported by science and technology. “Science and technology is the primary productive force” and “talent resource is the first resource” are the two pillars of the construction and development of financial talent team. At present, the rapid development of Internet, Internet of things, cloud computing and third-party payment has promoted the continuous improvement of financial system. It can be said that China’s financial development has entered a new era. After clarifying the requirements, rules and directions of financial development in the new era, special attention should be paid to the integration of technological elements in the development of financial discipline and the cultivation of financial talents. To cultivate financial talents of the new era who have scientific and technological thinking and concepts and have a full understanding and application of new skills and technologies.

### **3.3 Internationalization principle**

“Bring in” is combined with “go global”. Similar to the trend of China’s financial marketization, the trend of China’s financial internationalization is also accelerating. From the opening up of financial institutions to the reform of RMB internationalization, and then to the opening up of the entire financial system, the cultivation of financial talents should not be limited to localization, but rise to the international perspective. Under the influence of the trend of financial globalization, under the influence of the trend of financial globalization, the cultivation of financial talents should not be limited to localization, but should rise to the international perspective. As far as the financial system is concerned, it is necessary to draw on the advanced international experience and practices, draw on the best of them, and cultivate a group of elite management talents with global vision and strategic thinking, with the courage to explore and innovate, and with social responsibility. At the same time, we should be aware of the differences between China’s financial talent system construction and the western neoliberal financial system theory. The cultivation of financial talents should fully respect China’s basic national conditions, particularities and history, and cultivate a group of international financial talents who are familiar with domestic laws and international rules, capable of cross-cultural communication and for independent financial activities.

## **4. Analysis of the dilemma: the training of traditional financial talents lacks the instrumental rationality**

The so-called “instrumental rationality” refers to the confirmation of the usefulness of tools (or means) through practice, so as to pursue the maximum effect of things and serve the needs of people. Facing the new trend of financial development in the new era and the basic principles of financial talents training, we explore from the perspective of policy tools for personnel training. It is found that there are still some problems in the current financial talents training in China, such as unclear market orientation, weak theoretical foundation, lack of ability to solve practical problems and insufficient attention to the integration of science and technology and the development of international vision.

### **4.1 Market orientation is unclear**

There are many reasons for the lack of rationality of traditional financial talents training policy instruments, among which path dependence is the curse that cannot be got rid of. When a policy tool has long been favored by policymakers and implementers, it is seen as a panacea. On the one hand, existing policy resources can serve the original policy tools and the implementation cost is low. On the other hand, traditional policy tools are more controllable and less risky. But once the policy environment changes, the adaptability of traditional policy tools will decline. Firstly, it is

difficult for the policy tool users to change their thoughts and ideas, and the policy tool will unconsciously favor the traditional policy tool path in the process of operation. Secondly, the adjustment and transformation of policy tools usually produces pains, and both the interests of the injured and the beneficiaries need a buffer, transition and adaptation stage in their psychology and actions. Thirdly, the supporting measures for the operation of the new policy tools have not been established, and the new policy tools may not cover all aspects of the old policy tools, resulting in the fragmentation of the old and new policies.

#### **4.2 Weak theoretical foundation**

The lack of rationality of talent policy tools needs to reflect on the attributes or combination of tools themselves. Some of the policy tools are inefficient or ineffective because of the problems in the matching and dynamic adaptability of tools and objectives. Policy instruments have their own standards of measurement, and their immediacy, enforceability, autonomy and visibility directly affect the efficiency and effectiveness of policy objectives.<sup>[7]</sup> According to Salamon's policy tools theory, highly direct and highly coercive policy tools can often produce high effectiveness, but there can also be risks of inefficiency. Due to the lack of innovation of the policy tools themselves, on the surface the policy tools have achieved the expected goal of the policy objectives, but the implementation cost is too large and the effect is not significant. The high autonomy policy tool relies less on the administrative structure, mainly through the special institutional setting to improve the service quality.

The attributes of industry institutions greatly influence the choice of policy tools. As far as the characteristics of the financial industry are concerned, it has a high sensitivity to market trends and a strong flexibility. It has a high requirement for the autonomy of policy tools. Indirect management and market mechanism are more conducive to stimulating the innovation enthusiasm of financial talents. However, the traditional training mode of financial talents in institutions of higher learning focuses on pure theoretical learning and lacks practical operation. Case teaching and scenario simulation cannot fully play their functions. At the same time, the textbooks used are also updated slowly. To some extent, they fall into the dilemma of expecting to use the knowledge of the past to solve new problems and lack the ability to use new knowledge, new thinking and new theories to solve new problems.

#### **4.3 Low level of technology awareness**

Science and technology are still an important force driving social development. Different from the past, modern science and technology play a stronger role in promoting social development, and the financial sector is no exception. Only when financial talents have a deep understanding of science and technology can they be full of competitiveness in this era where the Internet and big data are superimposed. Only then can they have good self-learning ability and adaptability, as well as use scientific and technological thinking to analyze and solve problems. Currently, the cultivation of financial talents is limited to understanding and knowing what advanced financial tools are available, and there is no in-depth study on its working principle, operation mechanism, infrastructure and how to coordinate, which is difficult to meet the requirements of talent practice ability in the new era financial ecosystem. Especially in the field of big data, which is an important part of information-based finance, the relevant standards and industrial structure have not yet been formed as it is in its infancy.<sup>[8]</sup>

#### **4.4 Lack of international vision**

Guy Peters believes that the choice of policy tools is the result of a combination of interests, ideas, individuals, institutions and the international environment.<sup>[9]</sup> The international environment is an important political factor influencing the choice of policy tools. The world financial system has become a closely linked whole. The structural adjustment of international institutions, such as the World Bank, will affect the financial policies of national countries. The size of the vision largely determines the size of the financial talent's own pattern. China's finance is in a critical period of full integration with the world's finance. What we are facing is the continuous emergence of financial

products and financial business modes, as well as new features of financial business types. A large number of financial talents who are in urgent need of mastering international financial knowledge, familiar with international financial rules and rich in international financial vision are in great need.

## **5. Path innovation: financial talent cultivation calls for the renewal of policy tools**

There are three ways to innovate policy tools: Firstly, the original policy tools are broken up and rearranged. Secondly, abandon the original policy tool and adopt a new one. Thirdly, the combination of new and old policy tools, which combines the advantages of the old policy tools with the characteristics of the new policy tools. On the basis of defining the advantages of traditional policy tools and facing the new trend and features of current financial development, the policy of financial talents needs to make up for the deficiencies in market orientation, theoretical basis, scientific and technological cognition and international vision. We should seek breakthroughs in the ways and methods of talent cultivation and seek a feasible path of talent cultivation through innovation and combination of policy tools for talent cultivation.

### **5.1 Strengthen strategic planning for the cultivation of financial talents**

Strategic planning is one of the important policy tools to achieve policy objectives. In the process of the cultivation of financial talents, strategic planning should be established in terms of the direction and objectives, constraints and policies, plans and indicators of the cultivation of financial talents based on the current trend of financial structure, financial system and financial internationalization, and guided by the principles of market, science, technology and internationalization. In this way, the cultivation of financial talents can be integrated into a complete system, which integrates theoretical learning and social practice, traditional financial business knowledge and new financial business knowledge, thinking mode, value concept and training mode, and forms a complete financial talent training framework.

### **5.2 Promote the effective use of organizational management tools**

In the process of financial talents training, the reconstruction of thinking mode, value concept and personnel training mode needs to be implemented effectively. Organizational management tools should give play to their actual effects and create financial professional advantages from various aspects of talent cultivation and recruitment, incentive and reward and punishment mechanism of financial front-line teaching staff. <sup>[10]</sup>Expand the training base for financial talents, clarify the standards and objectives, and strengthen the professional ethics of financial talents education. The selection and appointment mechanism of talents should be innovated in accordance with the principles of open, democratic, competitive and merit-based selection. Gradually clarify the functional management department, responsibility relationship and mutual jurisdiction relationship related to talents training, and realize the original goal of financial personnel training through the organization and management of professional and high-quality teaching personnel.

### **5.3 Realize the incentive function of performance evaluation tool**

Good performance evaluation is conducive to stimulating the enthusiasm for innovation of talents. A scientific performance appraisal system should be developed to compare the actual effect of talent cultivation with the previous strategic planning of talent cultivation, so as to find out the gap between the two and the reasons. Positive rewards should be given for doing well. For the shortcomings, we should actively look for reasons to make up. Aiming at the idea of attaching importance to the process and neglecting the result, we should change it. Because only those who meet the needs of the market and enterprises are the real talents, the idea that we can adapt to the needs of social development as long as we cultivate them step by step is not correct.

### **5.4 Perfect the integration function of data information tools**

Data information tools can play a positive role in today's financial talents training. The most important is to establish data information platform, perfect computer network and financial



personnel training information database. To accelerate the establishment of information sharing and standard unified information system for financial talents, on the one hand, it is conducive to the rapid and effective information communication and exchange between different departments. In addition, data information tools can also help improve the understanding of science and technology, strengthen the understanding of international finance and other relevant professional knowledge, so as to reduce the dependence on paper media, and acquire the latest technological innovation and advanced financial knowledge in a faster and more convenient way, so as to keep up with the pace of the times.

In conclusion, the selection of policy tools for financial talents should not only consider the adaptability of means and objectives, but also take into account the attributes of the tools and the impact of the policy environment. In the era of knowledge economy, the major social contradictions have been transformed, and the trend of financial internationalization and informatization has put forward higher requirements for the comprehensive ability of talents. Traditional policies for financial talents are difficult to meet the challenge of modernization, and it is urgent to change the concept of talent cultivation and innovate the training path for financial talents.

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