

A photograph of a smiling man in a suit and tie, looking towards the right. The background is a city skyline with a bright sun flare effect.

# How to Navigate Stiff Competition for Talent in Financial Services

A FUTURE BACK APPROACH CAN HELP INSTITUTIONS ATTRACT AND RETAIN TOP TALENT

By Joe Gladow

The Great Resignation's not over yet, at least not according to recent articles from Forbes, the World Economic Forum, and others. Even in the shadow of a recession, people are still leaving their jobs in droves. In fact, nearly 14% of Americans voluntarily left their jobs in November 2022. The evolution of employee and consumer expectations is only adding to the churn.

For financial services institutions, these challenges are compounded by the industry's traditionally hierarchical and compliance-driven norms. These factors make it difficult for industry incumbents to compete with a wave of new entrants targeting the myriad opportunities to create more consumer-centric, digitally-oriented experiences.

To keep from becoming a cautionary tale, financial services institutions must rethink the way they are attracting, recruiting, and retaining talent to

fundamentally transform their operations and culture. And not just for today. The real key to longevity lies in deploying a future-back approach to talent management that focuses on the types of talent financial services organizations will need 5 to 10 years from now and the steps they should be taking today to get there.

## Anticipating Future Organizational Needs

The first step in a future-back approach to talent management is to determine the anticipated needs of your organization. The digital-first future of the industry will require a mix of soft and hard skills, many of which have not been prevalent within traditional financial services institutions. Though there are a number of new skills that will be required for success, existing skill sets will also need to be maintained.

**The Future of Financial Services Requires Existing and New Areas of Expertise**

**Existing**

- Finance and Accounting
- Data Analytics
- Compliance and Regulatory
- People Leadership and Management
- Interpersonal and Communication Skills
- Workforce Development
- Product Management

**New**

- Software Development
- Cloud
- User-experience Design
- Agile Product Management
- Peer-to-Peer Learning
- Working in Autonomous, Flatter Organizations

The way we interact with our financial institutions is changing rapidly, with some customer engagement models feeling more akin to social media than traditional banking. And with the rise of fintechs and insurtechs, customers have the ability to shop around in a way they weren't able to in preceding decades, which makes consumer-centricity a major component of competitiveness moving forward.

Technical skills also remain important. Traditional financial institutions are at risk of disruption from innovative, cloud-based fintechs that are more agile and responsive to evolving customer demands, offering better experience, better rates, and better service. As the financial services industry moves ever deeper into the digital-first landscape, attracting a workforce with new digital-first skills will also be critical. Technology agnosticism is no longer an option for high-performing, career-focused financial professionals.

Finally, with increased scrutiny of organizations' actions on diversity, equity, and inclusion (DEI), sustainability, and other ESG-related issues, financial services institutions that are perceived as out of touch will struggle to attract and retain top talent, as workers opt for companies that better reflect their own values.

**Curating the Right Team Requires a Focus on Upskilling and Creative Recruitment**

As financial services institutions, our biggest assets are our people. To ensure your workforce meets these new requirements, financial services leaders will need to pay focused attention to the upskilling of their existing workforce while also innovating to attract the right talent to supplement any gaps.



**Meet People Where They Are With Technology**

There's a renaissance going on right now in terms of what people want to do professionally. Employees are looking to do things that are important to them. And they want to learn and grow. People don't want to do the same things that they used to. They want to add more value; they want to be closer to the business; they want to be a part of the key decisions that are being made.

“And that underpinning technology is a major factor in enabling us to do that,” says Jay Rabinowitz, vice president and managing director, financial services and insurance industries at Workday. “If you have a process where you’re moving data into your general ledger system, and 7% of the records have errors, then all your accounting and finance professionals are doing is correcting errors. But if you ensure your data is accurate upfront, then people can spend more time doing value-added activities.”

When financial services regulations started to become more stringent in the early 2000s, most of the necessary data was available; it was just hard to access and in myriad disparate systems. A lot of companies have been using stopgap measures ever since then to meet the minimum requirements for compliance. But these types of processes are extremely people-intensive, inconsistent, and riddled with errors.

“Technology done right and data structured correctly changes all of that,” Rabinowitz adds. “It puts you on the front foot and allows people to focus on increasingly valuable activities. No one graduates college excited about doing reconciliations or v-look-ups every day.”

The bottom line is this: people don’t want to work in an antiquated process, with antiquated systems and inconsistent data.

### **Give Your Current Workforce the Tools to be Successful**

loanDepot is one of the financial services firms making strides to upgrade their infrastructure and their workforce to meet new industry demands. The organization recently implemented Workday’s robust suite of financial to compliment and unify with existing Workday human capital management solutions to modernize its operations and enable more agility across the organization.

Jennifer Edwards, loanDepot’s vice president of accounting, foresees several changes to the required skillset for financial services employees in the coming years.

“I think, with technology advancements, there will certainly be fewer menial tasks, less manual data entry, less need to transform data within Excel

spreadsheets,” she says. “And that in and of itself will be huge. But not only that. Because they are no longer responsible for more manual efforts, employees will be able to focus on more meaningful, strategic work that supports the business.”

“Gone are the days where you could spend your first two years as an accountant just doing reconciliations,” says Nicole Carrillo, executive vice president and chief accounting officer of loanDepot. “Working in financial services in the future will require a different skill set — one that’s more strategic, more collaborative, and more digitally-focused.”

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— Nicole Carrillo, executive vice president and chief accounting officer, loanDepot

### **Creative Recruitment Strategies Help Fill Talent Gaps**

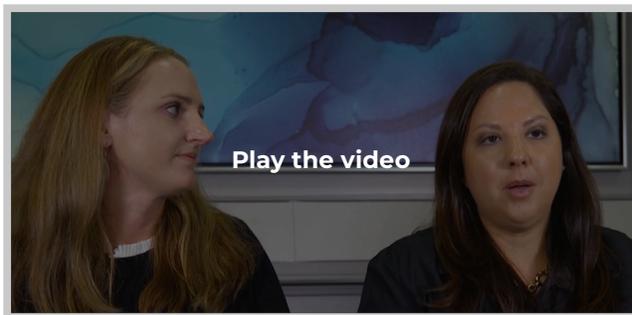
A key focus area for financial services leaders will require the attraction and recruitment of new talent to help to fill any gaps in the future needs of the organization. One way to go about this may be to recruit from other industries that are, perhaps, further along in their digital-first evolution than financial services or from innovative companies that have already built a digital-first organization.

It is well known that competition for talent is high in financial services. This is especially true when it comes to large tech firms that are better positioned to offer remote or hybrid work, higher salaries, and other perks.

One of the ways financial services institutions can gain a competitive advantage is by getting creative and looking for talent where they normally wouldn't, both in local markets and outside of the financial services industry. With sizable recent layoffs in several high-profile tech companies (e.g., Amazon, Meta), there's a large pool of highly skilled, experienced talent available. Retail is also fertile ground for this type of talent.

While these individuals may not possess banking-specific or insurance-specific knowledge or experience, those things can be taught on the job. The future-focused, digital-first, consumer-centric insights they will bring to the table can help to fill strategic gaps for financial services firms. They've seen what the future of financial services will look like.

These are people who have, by virtue of the role or company they worked in, been exposed to the market or competitive environment that your company will be facing five to 10 years from now. As such, they have a sense of how it could play out and what you should be thinking about as you navigate the transition. Ideally, they'd be able to recognize patterns and pull from their experiences to guide the company and help them successfully manage the inevitable change that's coming. And the value of that experience cannot be overstated.



## Retaining Talent is as Important as Attracting It

Now that you've got the right team in place, you might be asking yourself how you keep them, especially with competition for talent so high at the moment. An effective retention strategy is firmly rooted in the future needs of the organization.

If you only ever try to evolve from where you are, you'll always be behind. A future-back approach allows you to metaphorically leapfrog your competition to get ahead of the challenges that aren't even on other companies' radars yet.

Right now, many talent managers are grappling with the transition to remote work and employees' new flexibility demands. While it is important to respond to this dynamic (with a focus on hybrid work models and other compensatory perks) in the current moment, it's also essential that leaders are casting their strategy further out to try to conceive of what the next wave of employee preferences might be. And start implementing solutions to address that shift now.

"Improved data access from cloud-based technologies can also give financial services institutions better insight into potential attrition patterns, how high performers are feeling," Rabinowitz says. "Historically, that meant looking at disparate data sets across systems to try to pull together a cohesive picture. Having an integrated data set that helps organizations understand their human capital allows institutions to foresee what might happen and proactively make changes to prioritize retention."

Competition for talent in financial services is high, but with the right attraction, development, and retention strategies, institutions can curate the teams they need to be successful today and in the future.

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