

The Future of Banking Talent

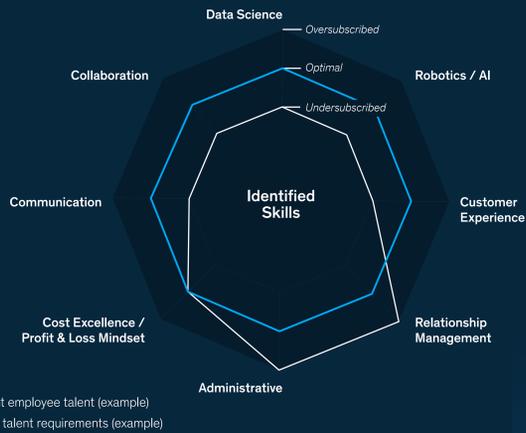
1 Understand future talent requirements.

43% of all bank working hours can be automated with current technologies.

Consequently, talent requirements are shifting from basic cognitive skills to socio-emotional and technological skills. Banks will need to analyze where they have long-term gaps and develop a plan to close them.

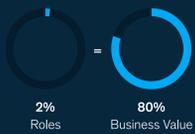


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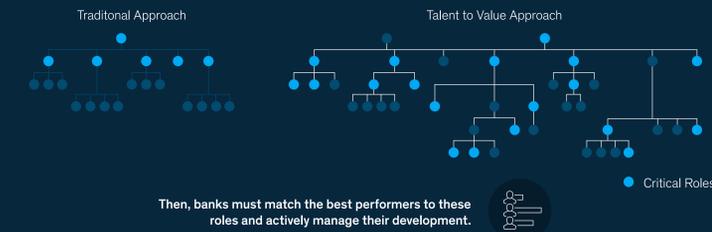
— Current employee talent (example)
— Future talent requirements (example)

2 Identify critical roles and manage talent accordingly.



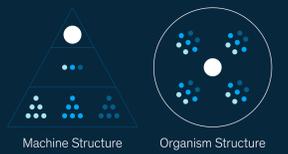
About 50 roles drive 80% of business value. Banks will need to identify these roles based on data rather than traditional hierarchy. In fact, 90% of critical talent is missed when organizations only focus at the top.

2

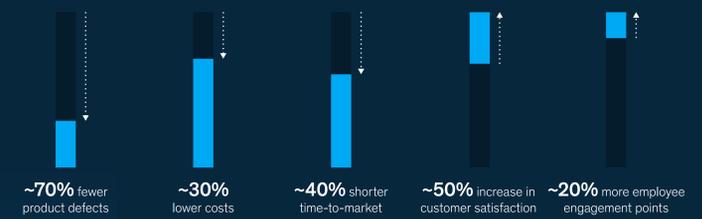


3 Adopt an agile business model.

Banks will need to shift from a hierarchical structure to an agile one, where leadership enables networks of teams to achieve their missions. As opportunities come and go, teams are reallocated accordingly.



This flexible structure has many potential benefits:



4 Use data to make people decisions.

Instead of making decisions based on subjective biases or customary practices, banks will need to use data to:



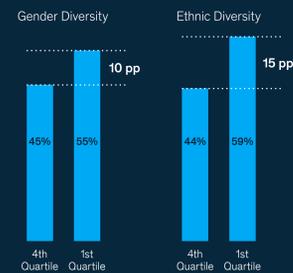
For example, company data can be used to develop a heatmap of the roles with the highest attrition rates. In this case, middle managers with a good performance rating have a high attrition rate. They should be an area of focus to reduce turnover.

Role	Performance Rating				Attrition Rate
	Good	Very Good	Distinctive	Grand Total	
Front-line Employees	19%	12%	11%	16%	
Middle Managers	27%	21%	13%	22%	
Senior Managers	22%	11%	6%	17%	
Grand Total	22%	16%	11%	19%	

5 Focus on inclusion and diversity.

Diversity leads to higher financial performance, and has many other benefits

Companies in the top quartile for diversity are more likely to have financial returns above industry medians:



- Better decision making
- Higher employee satisfaction
- An enhanced company image

Industry-leading banks will set measurable diversity goals, and re-evaluate all processes to expose unconscious biases. For example, one organization saw 15% more women pass resume screening when they automated the process.

6 Ensure the board is focused on talent.

Only 5% of corporate directors believe they are effective at developing talent.

To be successful, boards will need to recognize Human Resources (HR) as a strategic partner rather than as a primarily transactional function. HR can free up time and help elevate its role by taking advantage of automation.

Potential for HR task automation using current technologies:



HR can then focus on providing the board with insight into human capital issues such as succession planning and talent risk. The CEO, CFO and CHRO (Chief Human Resources Officer) form a group of three that makes major decisions on human and financial capital allocation.



CEOs worldwide see human capital as a top challenge,

and yet they rank HR as only the eighth or ninth most important function in a business. Clearly, this is a disconnect that needs to be addressed. To keep up with rapid change, banks will need to bring HR to the forefront - or risk being left behind.