To Meet Employee Needs, Financial Services Institutions Need to Shift

Unlock your people's potential to solve banking's most pressing challenges
Increasingly tight regulatory environments and digital-savvy challenger fintech companies are putting pressure on financial services (FS) institutions. And more recently, the COVID-19 pandemic has forced banks to adapt to greater demand for digital banking services.

Many firms have also had to rapidly adjust the layout of bank branches to meet new safety requirements—or even close them altogether as customers shift to online services.

The challenges facing today’s banks are complex and multifaceted. But they share a need for top talent to spearhead innovation, growth, and stability.
Employee experience is increasingly important, especially as banking staff now must work seamlessly across the branch, back office, and even at home. Employees are also demanding their technology at work should mirror the digital experiences they get as consumers. To win the war for talent, banks must deliver these experiences and ensure they offer a diverse and inclusive workplace to retain top talent and help employees feel supported.

An accelerated move to digital puts pressure on all FS institutions to think technology first. This isn’t just to catch up with digitally native fintech startups and deliver the digital experiences customers are expecting; it’s also crucial for banks looking to attract a cohort of new talent that demands the latest digital tools and solutions.

Security and compliance remain a constant cost center and source of pressure for FS institutions. And a combination of growing cybercrime rates, new asset classes, and a shift to remote working only increases the security and compliance challenges facing today’s banks.

Lean bank workforce models are becoming vital. As bank branches continue to close at pace, remaining locations must be transformed to serve customers better while reducing costs. Additionally, employees need to be upskilled to become universal bankers who can cover a wider variety of roles.

All these challenges place immense pressure on HR leaders in banking and the people they’re responsible for. And as the challenges grow, employees increasingly expect to see a shift in how HR operates within the financial services sector.

To gain and retain the next generation of talent, FS institutions need to focus on four crucial elements across their HR and operations:

**Challenges**

**Employee experience**

**Security and compliance**

**Lean bank workforce models**

**Conclusion**

Are you ready?
It’s time to make a shift

It’s clear that the financial services industry faces a complex, diverse set of challenges. No single strategy will solve all of them, but leaders must do something to overcome the barriers standing in the way of growth.

While many organizations are already transforming operations, processes, and their digital strategy to become more competitive, there’s also much to be done in transforming the way banks empower their people. By elevating your people strategy, you can shift to empower employees to take your organization to new heights:

**Skills:** FS employees want to understand their areas for improvement, develop their current skills, and find new growth opportunities.

**Health, wellbeing, and safety:** People do their best work when they’re in a safe work environment, are part of a team that nurtures wellbeing and a good work/life balance, and can access resources that support mental and physical health.

**Inclusion, equity, and diversity:** Everyone wants to be their authentic self at work, receive equal opportunities and pay, and feel like they belong to a strong community.

**Flexible work:** FS employees want to choose where, when, and how they work. And they want to select from different employment types and use technology solutions from the office, the branch, and even at home.

**Tailored employee experiences:** Personalized experiences; intuitive, mobile access to information; and technology that automates and augments work all help your people thrive.

Meeting these five needs should be an HR priority for all industries. But financial services in particular can find new ways to thrive amid disruption by shifting its approach to people.
How organizations like yours are making the shift

Other FS providers are already shifting their people strategies to create a more diverse, fulfilled, and productive workforce. Their approaches offer a rich pool of suggestions for other banks looking to make the shift and empower their employees.

Diverse, modern training programs—for employees and their families

Many retail banking groups offer apprenticeships designed to kick-start careers in digital technology and financial and professional services. But some banks are taking a modern approach to their programs. One example is offering a virtual HQ where apprentices can explore, learn, and even win prizes as part of their training. There’s even additional training for staff—and their friends and family.

By finding similar opportunities to expand training programs, you can help your employees sharpen their skills, develop new capabilities, and drive your business forward.

Health and wellbeing benefits, augmented by the latest digital tools

Employees in the financial services sector have come to expect wide-ranging lifestyle and health benefits. But in recent years, we’ve seen some organizations take this further by partnering with tech-based life and wellness insurance packages. With these digital-led programs, employees can get 24/7 access to a virtual GP, daily rewards, and a seamless app to help manage their health insurance policies—and improve their overall wellbeing.

By putting the spotlight on wellness and health, you can offer a powerful differentiator that attracts talent to your organization. And you can foster a healthier, happier, and more productive workforce.

Funding and time allocated to advance diversity initiatives

Some banks are already tackling fairness across their teams by offering public disclosure on pay equity. But we’re also seeing industry leaders go beyond internal policy by creating programs that spearhead inclusivity programs beyond the four walls of their business. One example is a US$1 billion, four-year program that will see one bank work with nonprofits and private-sector companies to accelerate and advance vital diversity initiatives.

Supporting inclusion initiatives is, of course, crucial for attracting diverse talent that can inject fresh, innovative ideas into your business. But it also offers significant benefits to employee morale and wellbeing, as people can rally around your organization as a force for good in the world.
Permanent flexible working policies

To respond to changing work patterns throughout the COVID-19 pandemic, organizations in all industries have shifted many teams to work remotely. The next step is to make those plans permanent.

This change is a powerful enabler for employees, allowing team members to choose a working pattern that suits them. But it’s also an important move for the business, allowing banks to reduce long-term office-space needs. In one case, we’ve seen a bank look to cut its office space by 40% and release resources that can be reinvested elsewhere.

There’s a powerful operational incentive to cut office rental costs, but permanent flexible working options go much further—empowering your people to work the way that makes them happiest and most productive.

More-informed, more-streamlined HR decisions

To better meet the needs of employees, banks are turning to new HR solutions that can help them integrate data from across systems.

These kinds of next-generation HR tools benefit banks in multiple ways: Employees get easier, more streamlined HR processes, and executives get comprehensive data about potential issues across locations that could impact employee wellbeing and productivity.

With these kinds of insights at your fingertips, your leadership team can get the information needed to make the most informed, revenue-driving decisions about your teams.
What are analysts saying about the need to SHIFT?

**Deloitte** identifies a need for firms to deliver a more human approach to HR and shift from “survive to thrive.”

**PwC** says “The COVID-19 pandemic has only underscored the need for digital transformation and upskilling initiatives aimed at improving both internal processes and customer engagement.”

**Gartner** found that employers that support employees with their life experience see a tangible increase (more than 20%) in the number of employees reporting better mental and physical health.

Josh Bersin says: “90% of the companies we talk with need a refresh or new operating model for HR. Why? Because HR has become a center of innovation.”
How can you make a shift in your own organization?

There’s a clear need for banks and other FS institutions to adopt new ways of attracting, retaining, and nurturing their people. But how can you make these changes effectively to support the next generation of talent?

**Break down HR silos with a connected platform**

From hire to retire, your employees interact with dozens of different processes. If you can’t properly connect these processes in a personalized way, you risk damaging the employee experience and missing opportunities to make more-informed decisions about how you manage your people. That’s why point HR solutions for individual processes often fall short.

If you can’t connect data between your recruitment, onboarding, talent management, core HR, and payroll systems, you can lose sight of how each process affects your employees’ wellbeing, performance, and success.

**Connect the dots between HR and finance**

Delivering a complete, unified HR platform is vital. But firms can go further by also connecting HR with other core functions. By integrating data on your people with financial records, you can empower business leaders and managers alike to better monitor the business and make the most effective decisions.

Putting finance and HR data together in one place helps you identify, plan, and budget for the workforce you need to drive growth. And by applying predictive analytics to this integrated data-set, you can help managers proactively identify where to allocate staff to deliver maximum impact—whether to man an understaffed branch or to support a new digital project at the head office.
Augment human potential

HR is, of course, all about people. But the need for human connection doesn’t mean you can’t make the most of new digital tools. In fact, the latest technologies often help, rather than hinder, the human experience in work. Conversational interfaces can help FS employees find answers to their questions faster and in a more human way than conventional intranet pages. AI-powered analytics can identify risk patterns across staff to alert managers to potential situations that might impact an employee’s wellbeing. And automation can streamline repetitive tasks, freeing up time for employees in the branch and the back office to spend on more fulfilling, value-adding tasks.

Deliver personalized recruitment experiences

Great recruitment is the foundation of success for HR—and for your whole business. But many FS organizations still rely on traditional recruitment platforms and processes that deliver a below-par experience for prospective hires. Banks and other FS institutions need to level up their recruitment platforms and experiences to stand out in an increasingly competitive talent market. For example, personalized career sites, recruitment marketing campaigns, and digital assistants focused on recruiting can help deliver tailored candidate experiences that keep potential employees engaged.

Similarly, AI-powered candidate recommendations can help remove human bias from decision-making and predict future hiring outcomes. And integrated recruitment and HR systems ensure managers know what skills are coming into the business—and where to deploy those skills across branches and business units to deliver maximum impact.

As digital-first fintech startups soak up limited digital talent, these recruitment-process improvements aren’t just nice to have for traditional FS institutions—they’re essential if you want to compete in the war for talent.
Simplify security and compliance

Trust takes a vast amount of time and effort to build up with your employees. But it takes mere seconds to break if a security flaw leads to your people’s personal data being leaked.

FS institutions are no strangers to the risks and challenges of maintaining security and compliance. But securing HR records has become more complex in recent years. The shift to flexible and home working means banks must secure a broader IT ecosystem—one that extends beyond the corporate firewall into nearly every employee’s home.

And as banks need to promote collaboration and integration to drive innovation, security and compliance measures must keep people safe without hampering the speed or ease of their digital tools. Then, of course, there's the sheer manual effort of preventing fraud, phishing attacks, and costly security errors.

Modern FS institutions need back-office tools that do it all. They need an HR platform that offers AI-powered, proactive security and fraud prevention, as well as enterprisewide security, compliance, and risk management that don't stand in the way of great employee experiences.
To meet the many pressures facing the FS industry, banks, insurers, and other financial services institutions need a platform that sets them up for HR success. The right platform can help take care of your HR processes, so you can take care of employees, and those employees can take care of your customers.

Only by connecting all core elements of HR to each other (and to other back-office functions), can you get the insights you need to solve your bank’s biggest business challenges.

With more insights into your people, you can make the shift and improve the employee experience with intuitive HR tools. You can accelerate your move to digital by attracting top digital talent, while simplifying security and compliance with a joined-up system that protects employees in the office, in branch, and at home. And you can develop a lean bank workforce model by analyzing your HR and financial data to make the most-informed resource allocation decisions.

To learn more about how Oracle Cloud HCM helps financial services institutions solve their most pressing HR and business challenges, speak to one of our HCM experts today.