



**THE NEED FOR
UPSKILLING IN THE
FINANCIAL SERVICES
SECTOR**

Groundwork Intel



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Before the pandemic hit us, the financial services sector had started its journey of digital transformation – reflecting a mounting hunger for must-have innovations including hyper-personalised and seamless user experience. COVID 19 has accelerated these demands, as consumers’ behaviour undergoes massive changes.



Fundamental shifts in the ways of working for banks...

Rapid Adoption of Digital Channels

35% of customers have increased their online banking usage during COVID-19

Goldman Sachs has reported a 25% increase in the number of active users on the bank's institutional platform over the past several months

Acceleration of Digital and Contactless Payments

Visa saw more than 13 million customers in Latin America make their first ever online transaction in the March quarter of this year.

MasterCard reported more than 40% growth in contactless transactions globally during the pandemic.

Sudden transition to a remote working model

Bank of America and Wells Fargo have transitioned roughly 70% of their workforces, to work from home.

Standard Chartered has kept most of its 84,000 employees working from home.

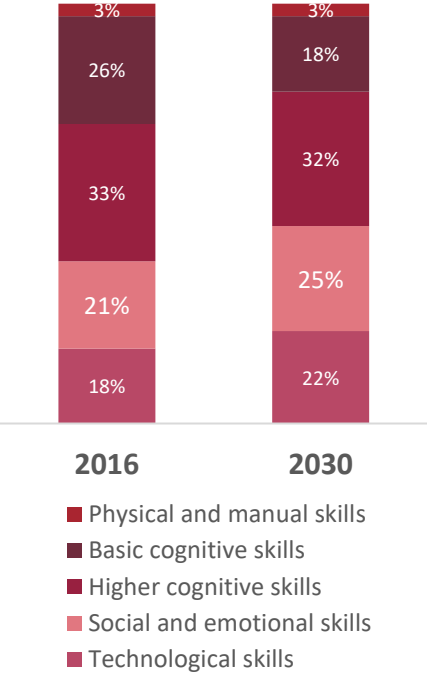
TD Bank has built new features to allow over 80% of its traders to work from home.

All communications and interactions have been digitized.



Banking will face one of the most pervasive workforce transitions in the years to come

Evolution in skill categories



Source: McKinsey, Banking & Insurance Report

Jobs such as tellers, financial analysts, and brokerage clerks will decline substantially, while the number of technology professionals and customer interfacing roles will grow.

Roles of commercial bankers, wealth advisors, and insurances sales and distribution staffs are changing, all of whom are now engaging with clients via digital channels for sales, relationship-building and support.

The shift to working from home has put new pressure on organizations to manage security as well as employee productivity, with ramifications for a company’s real estate portfolio and IT infrastructure.

The need for workers who use mainly basic cognitive skills, such as data input and processing and basic literacy and numeracy, will likely decline, while the need for workers with advanced technology skills, and those with social and emotional skills, will grow

The evolution of roles when augmented by intelligent technologies

From Operational Roles...

Data capture by middle-office KYC analyst

From Mono-Skilled Roles...

Evaluating and approving loan applications

From Generalist Roles...

Sales support

From Technology-Oriented Roles...

Blockchain implementation and support

... to Insight-Driven Roles

Focus on anomalies, using AI-driven analysis to unearth complex connections between entities and transactions.

Move from data entry to analysis
/ assessment of risk

... to Multi-Skilled Roles

Evaluating and liaising with customers on high-end loan applications, 'training' AI to decide on simpler loans, and explaining AI decisions to applicants

... to Specialized Roles

Working with AI to qualify sales leads, feeding back results to further enhance the system's predictive capability

... to Creative Roles

Exploring new ways blockchain can add value to the business





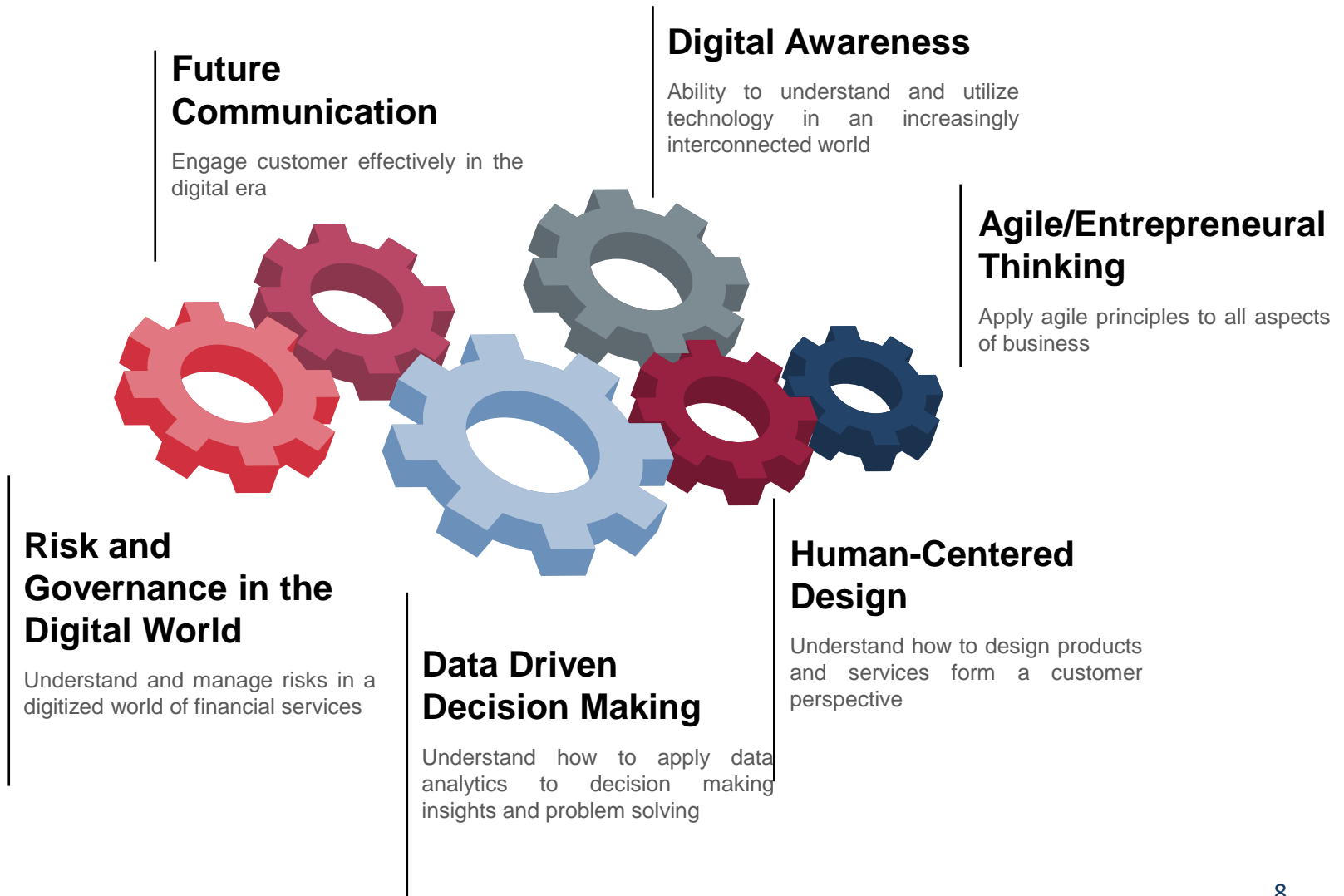
As the digital transformation agenda picks up speed and workforces are being asked to engage differently with customers and respond to new shifts in customer demand, financial institutions see skills and talent shortages as a threat to their growth prospects .

According to PwC's 22nd Annual Global CEO Survey, almost 80% of the banking CEOs who responded saw skills and talent shortages as a threat to their growth prospects.

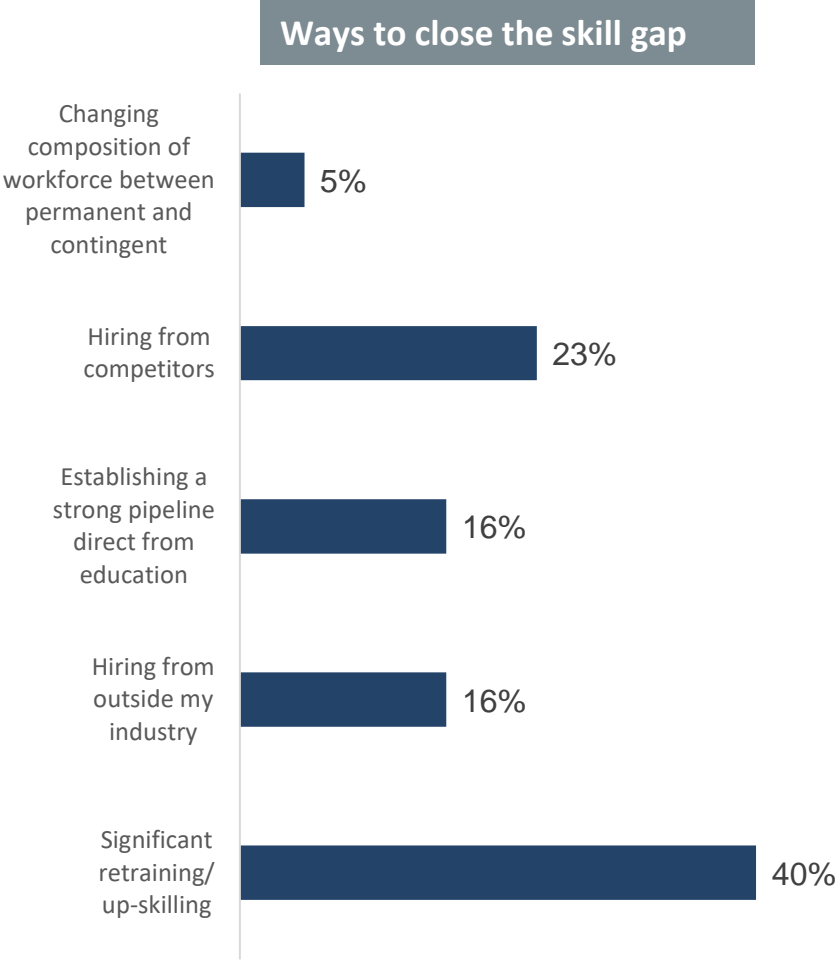


Organizations are looking for employees that can work well with new technologies but also display leadership, creativity, empathy and curiosity. In other words, although purely functional skills related to automation and AI are often essential for business growth, they are not enough.

Future-enabled skills in digital banking



Organizations are quickly exploring a number of options to close the skill gap



Upskilling appeared to be the most preferred way to close the skill gap

Fostering relationships with Universities and High Schools to build a talent pipeline

Prudential Financial established a program by engaging with high school juniors who are math majors in order to create a program for them and provide mentorship to help them successfully get from high school to college. Then they can transition into a Rutgers [the State University of New Jersey] honors program. They provide \$10 million scholarship fund to help fund kids from weaker financial backgrounds. Prudential and other companies are now interfacing with that honors college and providing internships—and ultimately jobs.

Santander provided £30 million to build the UK's first university focused on digital skills; MK:U is expected to serve at least 5,000 students and be open by 2023

JPMorgan Chase to partner with the Aspen Institute's College Excellence Program in order to build the next generation of diverse community college leaders

OCBC Bank has launched the postgraduate *OCBC AI Scholarship* in partnership with both the National University of Singapore (NUS) and the Nanyang Technological University (NTU), which will be open to applicants of either institution's full-time master's programme in Artificial Intelligence. Worth up to S\$100,000 each, and fully covering all educational and living expenses, the scholarship is part of OCBC Bank's digital strategic framework. The framework is designed to harness the potential of AI to deliver greater customer value and business scalability.



Creating dedicated “Finishing School” training programs for digital skills

AVIVA Launched cloud computing training program to upskill new and existing employees and enhance the company’s digital capabilities. The program is aimed at assisting new and mid-level infocomm technology professionals to acquire practical technical and digital skills.

GOLDMAN SACHS and Immersive Labs started a new program for improving the cyber skills of its bank’s employees globally through purpose-built scenarios and gamified lab environments.

STANDARD CHARTERED Launched aXess Academy initiative aimed to upskill the Bank’s developers with the technical skills required for open banking through training programs, hackathons, and technology leadership roundtables.

HSBC Introduced Digital Thursdays, an internal digital education program designed to drive behavioral change within its frontline colleagues so that they can support change in customer needs.

DBS Bank invested SGD20 million over 5 years to transform employees into digital workforce. Training includes AI-powered learning, experiential learning and innovative learning spaces.

MORGAN STANLEY Equipped its 16,000 financial advisors with machine learning algorithms to help them provide better and more timely recommendations to clients.





In this radically changing business and skills environment, reskilling alone may not be enough. Today, success depends increasingly on innovation, entrepreneurship, and other forms of creativity that rely not just on skills, but also on less quantifiable capabilities such as critical thinking, emotional intelligence, and collaboration.

Context-agnostic capabilities, such as skills to design superior customer experience or managing change, could become more important than industry knowledge in banking of the future.



- *“We’re supposed to hire people with really good judgment and they’re supposed to exercise that judgment. Unfortunately, activity has converted over time into much more process and procedure-based work. So unwittingly we’re losing the value of that judgment... More and more, machines will be able to take over the bulk of that activity. But the age of the expert isn’t dead; we actually want experts to be able to exercise expertise – we’ll just have a better ability to ensure it’s focused on the work that truly requires judgment.”*
- *We need people that are adaptable, because work is changing and it’s changing rapidly. We’re much more likely to hire you on the basis of your mindset and your ability to adapt than we are on your specific and deep subject matter knowledge, because that might not actually be that relevant in a year’s time.*



- HSBC has introduced a section on soft skills responsibilities along with technical skills requirements in its Digital and Technology Jobs descriptions
- The organization is looking at flexible talent which is more customer centric

“Our role is to bridge any gaps and support our customers to make outbound business easier for them.” – HSBC Careers



- RBS is looking for agile and flexible talent which is customer focused and focused on ideas for creating and exploring new innovation



- PlainsCapital Bank – US-based bank with 60 branches – introduced digital banking services to its customers
 - However, post implementation of digital bank services demand for human bank tellers decreased
- The company then combined the tasks of on-site teller, adviser and customer service agent, creating the role of Universal Banker
 - Universal Bankers need better interpersonal skills, strong problem-solving abilities and more creativity, as well as knowledge of the products and the customer experience
- To fill the skill gap of employees and meet current skill expectations, the bank finds a good match from a pool of internal candidates and identifies where they need skills development
 - Also, it provides relevant technical and soft skill training



Banco Santander undertook a robust strategic workforce planning exercise to identify the skills the bank will need in 2025.

Doing so required envisioning future roles and tasks, identifying the skills needed to execute those roles, and quantifying the future demand for each skillset by analyzing expected business and talent trends (such as the growth of digital business and the impact of AI technologies).

This exercise revealed that Santander's workforce had the strong technical skills required to meet future demand but needed to focus on building capabilities such as communication, knowledge-sharing, and resilience.

Throughout this process, the involvement and collaboration of the C-suite as champions of the project was key to its success, ensuring alignment with critical business needs.

The bank launched an upskilling and reskilling plan to cultivate the required skills and critical capabilities and has activated strategic levers across HR to close these gaps (mobility, alternative workforce, and ways of working). The expectation is that cultivating these capabilities will not only prepare its workforce to better serve its customers, but also transform the company's culture and ways of working.



To fill the new and reconfigured jobs of the financial services firms of today, organizations will need to adopt rapid, flexible, tailored and large-scale reskilling/ upskilling programs to maximize the value humans and machines can create together.

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Thank You!