Trends and HR Perspectives: Talent Acquisition and Retention in the Banking and Financial Sector

INDUSTRY REPORT

TRENDS AND HR PERSPECTIVES

Talent Acquisition and Retention in the Banking and Financial Sector

The banking and financial sector operates in an environment marked by challenging economic and geopolitical conditions, increased technological disruption for more online and mobile payment services, the emergence of new players such as FinTechs and online banks competing with traditional banks, and increasingly complex regulations.

New careers are developing and diversifying. While traditional roles like accountants and financial advisors remain prevalent, blockchain analysts, cybersecurity experts, and data scientists specializing in financial analysis are now in high demand. We explore in this report the HR challenges in attracting and retaining qualified talents in this sector and propose solutions to address them.

I. Specific Challenges in the Banking and Financial Sector

The banking and financial sector must contend with technological disruption and a more demanding regulatory framework in a particularly challenging economic climate.

Key Characteristics of this Sector:

- **Economic Uncertainty and Market Volatility:** Driven by factors such as geopolitical tensions, trade conflicts, banking crises, rising interest rates, and the ongoing impact of the COVID-19 pandemic.
- **Regulatory Complexity and Compliance:** Financial services must navigate a complex network of regulations related to data privacy, cybersecurity, and sustainability.
- **Technological Disruption:** Emerging technologies prompt companies to adapt quickly. Artificial intelligence (AI) plays a significant role, aiding decision-making and operational efficiency. Blockchain enables faster financial transactions in a cooperative ecosystem. The Internet of Things (IoT) is also promising for the management of payments, especially for the future of smart mobility.

II. Solutions and Best Practices

Tips to Attract Talent in the Banking and Financial Sector

Stephen Fournier, Senior Consultant at the international recruitment firm Robert Walters, notes that banking and finance professionals stay in their jobs on average for 2.9 years. He suggests that organizations in this sector invest in motivating current employees and define individual growth paths and training opportunities. When attracting new candidates, he advises considering not only sector experience but also transferrable skills, growth potential, and personality.

Main HR Challenges Facing this Sector:

- **Talent Competition:** While the banking and financial sector employs a significant number of people, it experiences high attrition and turnover rates. To remain competitive, companies must attract and retain top talent. Given the rapidly evolving nature of work and the workforce in this sector, HR professionals must evolve their talent acquisition processes to enhance efficiency and speed.
- **Skills and Mobility:** Companies are gradually turning to skills-based recruitment and the mobility of their employees, supporting their skills development to build a versatile workforce capable of adapting to sectoral changes.
- **Inclusive Leadership:** Leaders must challenge conventional thinking and empower their teams to identify their specific roles in achieving company goals. An agile structure, rather than a traditional hierarchical one, allows employees to be allocated where resources are most useful.

Here are some specific solutions to attract and retain talent in this sector:

- **Invest in Skills Development:** Rapid technological advancements greatly impact the banking and financial sector. It is crucial to help employees acquire the necessary skills to work with these new technologies and adapt to changes in processes and operations.
- **Continuous Training:** Financial products and services are becoming increasingly complex, requiring highly skilled and well-trained employees to sell and manage them. They should receive adequate training on company products and services as well as data security, a major concern in this sector.
- **Promote an Inclusive Work Environment:** Breaking away from the traditional hierarchical structure and creating a work environment where everyone feels valued, respected, and safe is crucial. Involving employees in deci-sion-making and company strategy strengthens their sense of belonging and motivates them to contribute to the company's success.

Incorporating Psychometric Assessments in the Recruitment and Talent Development of the Banking and Financial Sector

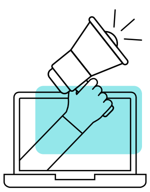
The type of work performed by banking and finance employees and the skills they need have evolved greatly. In addition to specific technical skills, behavioral skills have become crucial. Employees are expected to have strong communication, leadership, problem-solving, and client-facing skills. According to a global survey by PwC, employees in this sector consider human skills more important than technical skills. Areas such as flexibility, adaptability, critical thinking, and collaboration are considered more important than technical skills such as data analysis. These broader skills enable employees to solve problems and innovate even in the face of disruptive technologies like AI.

HR professionals must be able to assess these behavioral skills when recruiting candidates or guiding the skills development of current employees. This can be achieved using psychometric tests, which are reliable and designed according to rigorous scientific standards:

- **Critical Thinking Assessment Tests** to measure candidates' ability to step back, identify and analyze problems, and seek and evaluate information to draw relevant and logical conclusions and make better decisions.
- **Cognitive Ability or Intellectual Aptitude Tests** to assess their intellectual potential, learning and adaptation abilities, data analysis skills, grasp of new concepts, reasoning, and problem-solving skills in seeking innovative solutions.
- **Personality Inventories** to learn more about their relational skills in communication, cooperation, collaboration, and leadership.
- **Career Planning Tools** can also develop professional projects, considering their key interests and motivations to better retain them within the organization.

The financial and banking sector attracts many workers because it is known for offering competitive salaries and some job stability in a wide range of careers.

However, banking and financial institutions, like companies in other sectors, face difficulties in recruiting and retaining talent. In this context, they are forced to rethink their HR strategy and focus more on skills than before. To adapt to the sector's evolution, mapping the skills they have within their teams and those they seek to acquire and develop in new recruits or existing employees is crucial. Psychometric tests will be invaluable in assessing the increasingly required human skills in this sector.



Evaluate your talent's skills with Pearson TalentLens psychometric tests!

Unleash your full potential by refining your approach to talent acquisition and development in your sector.

Contact Us

About TalentLens

Pearson TalentLens is a core component within the Workforce Skills division of Pearson plc, the world's lifelong learning company and global market leader in assessments. Workforce Skills is comprised of TalentLens - Pearson's established and successful workplace psychometrics team, Faethm AI – the world's first data backed and truly end to end future of work company and Credly, the global leader in digital credentials.

Supported by over 70 years of research, our psychometric tests, such as the Watson Glaser test, are used by hundreds of companies around the world for their employee recruitment and development projects. As experts from the business world, our primary objective is to provide you with ongoing assistance to review your practices, understand and define your needs, and support you in choosing and using our assessment solutions.

