

The background of the entire page is an abstract digital graphic. It features a dark blue field with glowing, interconnected lines in shades of blue and magenta. Several bright orange and red circular nodes are scattered throughout, connected by thin, dotted lines, creating a network-like structure. The overall effect is futuristic and high-tech.

BANKING AND FINANCIAL SERVICES

How L&D can support vital
transformations in the banking
and financial services industry



CHANGE

The Banking and Financial Services industry has changed drastically in recent years, including adapting at speed to meet the challenges presented by the Covid-19 pandemic.

Increased competition from market disruptors such as Monzo and Revolut, have challenged the status quo in banking and pushed a significant investment in digital transformation initiatives. Whilst a new wave of tech advancements, largely driven by the crisis, have sped up the introduction of new products and the adoption of innovative strategies.

Couple these challenges with a dramatic shift in how we work, moving from predominantly office based to remote working, and the introduction of artificial intelligence to streamline processes and replace human thinking, the banking and financial services industries must revisit their talent landscape and the skills now required to stay ahead of the curve.

Due to these many changes, the banking and financial services industry has emerged from the pandemic with a compelling need to make strategic investments for the future, and an imperative to invest in learning and development to capitalise on these changes.

However, learning and development priorities, which should be an integral part of any transformation process have taken a backseat. In banking alone, 65% of global firms surveyed cited availability of a skilled workforce as a major hurdle to growth¹.

There is a big payoff to getting this right: firms that offer comprehensive training enjoy a **24% higher profit margin**² and **94% of employees say they would stay at a company longer**³ if they invest in their learning and development.

Challenges faced by the banking and financial services industry

THE AGE OF DIGITAL TRANSFORMATION

The digital transformation of the banking and financial service sector, driven in part by the emergence of FinTech challenger banks such as Monzo - and sped up by the global pandemic - brought a rate of change to the sector that had never been seen before. Suddenly, big banks steeped in history and process had to move at speed and quickly embrace and on-board emerging tech.

As of 2020, **1.9 billion individuals worldwide actively used online banking services**⁴, with this number forecast to reach **2.5 billion by 2024**⁵.

Operating models have had to adjust at speed to ensure banking institutions remained relevant and able to compete with these new competitors. Existing

services were transformed into digital experiences with the aim to embed into customers lives, going beyond the historic banking approach, to keep customers engaged and turn products into features.

With the many opportunities presented by digital transformation in the sector, there are also significant challenges, including the potential opportunity for cybercriminals to exploit weaknesses in fraud prevention systems. Banks must have the systems and skills to respond to these challenges in real-time and stay at the forefront of cyber security interventions. Whilst also remaining attractive to potential candidates and current employees, who now, due to the pandemic expect a degree of remote working, which can present its own fraud challenges.

Digital transformation shows no signs of slowing for the banking and financial services sector. To capitalise on the opportunities and overcome challenges, having the right skills and expertise will be crucial. However, recent research has found that the industry is particularly lacking in three key technical skills⁶: digital literacy, which needs to be developed across the entire workforce, and more specialised expertise in the form of data analytics and software development.

Developing these skills will be critical to how the industry evolves and its future success, as well as an understanding of the implications the changes may have on the sector and its current employee base. Whilst a change in mindset to a more agile, digital driven, innovative environment is also required.

THE FUTURE OF CUSTOMER EXPERIENCE

Digital transformation has also led to a significant change in the ways the banking and financial services sector is serving customers and therefore changing customers' expectations. Customers now want a personalised, customer first approach with help and support in real-time.

Customer obsession is a critical component of success, and recently, more and more banking and financial services leaders are investing in branded customer experience programmes to be led as organisational change initiatives.

On top of that, arising from the pandemic there has been a need for even closer strategic collaboration between HR and learning and development to effectively embed the desired behaviour change and ensure required outcomes.

LEADING AGILE CHANGE

With the rate of change felt across the industry, there is a need for leaders to quickly evolve and adapt to meet new demands successfully. They need to learn the new tech, manage a new type of business and lead employees remotely based on success and achievement rather than "effort".

For an institution that, for most of its time in the market, has never been challenged to adjust its approach, there is a mind-set shift required to enable leaders to pivot quickly, remain agile and lead their teams with this in mind.

In today's market, a bank's competitive advantage comes from its ability to be fast and agile and at the heart of this is a leader's capability to bring their teams along with them on these change initiatives. Setting the vision, articulating the goals and then changing the goals according to ever changing conditions is a required new skill.

In line with this, many banking and financial services companies look for Smart Leadership, which presents a set of vital leadership competencies, including (but not limited to) Leading with vision and purpose, Agility, Inclusivity and Empathy.

With the changed ways of working and the recent move to hybrid working, the following questions have become increasingly high on the leaders' agenda:

- Maintain team's motivation and productivity levels during constant change without micromanaging
- Ensure employees feel a sense of belonging at work
- Show how individuals' work fits with the bigger picture and makes an impact at their organisations

Leading Bank, Denmark

Excellent Customer Experience

Working with one of the leading banks in Denmark, Tack TMI Denmark helped them to address the growing demands and challenges in connection with fraud-handling and anti-money laundering.

A comprehensive, customized training programme '**Excellent Customer Experience**' was developed with the overall aim of improving the performance of an already well functioning larger group of academic and educated employees within various customer service functions throughout the bank.

The objective was to ensure:

- Constructive customer dialogues
- An effective toolbox
- A uniform approach

We were selected as the partner to deliver a wide range of coaching skills and competencies that the bank was looking for, and at the same time we were well qualified to train in conflict management, which was an important key point.

THE RESULTS

'Excellent Customer Experience' was delivered over two months and the programme led to significant and measurable improvements in the bank within customer service, including:

- A common understanding and professional approach to conversation handling
- A strong toolbox with easily applicable techniques to have more constructive conversations
- Less conflicts with customers
- Increased awareness of how to communicate
- An updated set of skills
- An increased number of customers who do not interpret the calls as control but understand and see them as necessary
- Happier customers and fewer complaints

In addition, the bank experienced further positive results such as:

- Retention of employees
- Declining sickness absence
- Greater motivation
- A more positive working atmosphere and improved work-life balance

Implementing Smart Leadership in the new working environment will ensure leaders of tomorrow can create effective workplace cultures. This then enables them to drive exceptional customer service, which is key to success in the industry. It is a virtuous circle; great leaders develop motivated teams who interact with and create devoted customers.

UNLOCKING DATA TO DRIVE CUSTOMER EXPERIENCE

Using customer data to drive positive customer experience is not a new concept in banking, it has, in some way, been done since the inception of banking, with tellers taking time to understand customer behaviour to deliver improved experiences. However, banks are becoming increasingly aware of the scale of unique data they hold and how it can be used to provide the greatest service to customers.

The next step in the banking and financial services industries data journey, is to delve deeper into the unique data available and to understand how it can improve customer experiences to offer clients what they want, when they need it and in a way they want to receive it. Banks also need to decide how to utilise different data channels and platforms in order to grow.

Becoming a “data-driven” organisation has become an increasingly high priority for many banking and financial services organisations in recent times, with the following questions to answer:

- What is a truly data driven organisation?
- What should a ‘data-driven’ culture take the organisation towards?
- What is the maturity evolution in the journey, and what are the key milestones / pitfalls to avoid?
- How to effectively embed a “data-driven” culture into an organisation, while keeping a customer at its heart?

In addition, fraud and compliance have become increasingly critical for the banking and financial services industry in current times of wide digitisation and disruption to standard operating procedures.

THE CONTINUED IMPORTANCE OF SOFT SKILLS

Digitisation does not mean that soft skills are no longer important. In fact, recent research has shown that the banking and financial services industry is lacking in two key ‘soft’ skills – coaching and creative thinking⁷ – which have been deemed crucial in aiding innovative problem-solving and staff retention.

While technical skills are important to achieving and supporting digital transformation, they are not sufficient on their own and there is a need for human thinking to deliver things software cannot. Soft skills such as creative thinking, will enable companies to look ahead, overcome challenges and develop innovative ideas and when coupled with technical skills will propel businesses into the future.

There is also a need for the banking and financial services sector to develop coaching skills across the workforce to facilitate development and tackle future skills gaps. In an industry that is acutely feeling the impact of the current skills shortage, effectively upskilling and reskilling current employees and ensuring learning and development solutions are effective and long lasting is key.

Coaching can also play a fundamental role in managing young talent, succession planning and retention, helping banks remain competitive in an increasingly challenging recruitment landscape.

CASE STUDY

International Investment Bank, India

Future Ready Leadership

Working in partnership with the Indian operations of one of the world's largest investment banks, Tack TMI India developed a comprehensive leadership development programme to support them to build a future ready leadership pipeline.

THE OBJECTIVE

The objective of this initiative, was to equip Vice Presidents (VPs) and Assistant Vice Presidents (AVPs) with skills and competencies required to progress in the organisation as well as help them to develop a strong personal brand.

THE SOLUTION

The journey began with a 180 degree assessment customised to the client's values and competencies to identify common gaps.

The customised leadership journey included multiple interventions at various levels:

- **IMCP Journey:** Eight-month Intermediate Management Certification program to equip leaders with essential skills and identified competencies to transition into the next level of leadership.
- **AMCP Journey:** Six-month Advanced Management Certification program to equip leaders with essential skills and identified competencies to transition into the next level of leadership.

- **Executive Presence:** To enable AVPs and VPs to create a strong personal brand within the organization and create a larger impact on various stakeholders. A customized 180-degree assessment tool was also used for Pre and Post Assessment.

- **Leadership Advantage:** A powerful role-play driven workshop to develop skills around giving constructive feedback using the Situation-Behaviour-Impact Model (SBI). Over 300 participants have gone through the program and were assessed on a scale to determine whether they effectively use feedback skills, are a champion, or need further support.

THE RESULTS

The initiatives reached and exceeded initial expectations and received much appreciation from participants and supervisors.

- Off our AVP level audience, **81%** of the leaders have demonstrated the desired skills at work, with **33%** emerging as champions.
- Off our VP level audience, **86%** of the leaders have taken up transformational projects that has led to direct business impact potential to lead to an overall revenue impact of approx **€11-17 million**.
- Two of the projects have been adopted as global initiatives and will potentially lead to huge cost savings for the bank.

INVESTING IN WELLBEING

Banking and financial services is the second biggest of the 20+ industries that take part in the Learning Performance Benchmark (LPB) Report⁹. In the latest report, it revealed that since the pandemic 9 out of 10 learning and development teams offer wellbeing resources which is an increase on previous years.

As Sandy Kumar, Global Head of Financial Services and Business Risk Services and Partner at Grant Thornton UK⁹, says, “Nobody is likely to be rushing back into the office, so having a clear strategy and policy to support people to work from home is vital, especially putting a bigger focus on people’s wellbeing – looking after your people’s health, their mindset, and how they are operating is key.”

Deloitte also reports that 4 out of 5 financial services companies are increasing their focus on employee safety and well-being¹⁰ and 52% of banking firms expect to spend more on mental health and well-being support¹¹.

When supporting wellbeing in the new way of working, being aware of the psychological needs of employees is key. We know from the work of psychologists like, Susan Fowler¹², satisfying three basic needs – for choice, connection and competence are essential to optimal motivation. However, in the current working environment, there is potential for disconnect and this can lead to individuals feeling pressure, stress, fear, and frustration, which can negatively impact wellbeing.

By creating choice, connection and competence, employees will feel they have control over their actions, that their goals are linked to people or a purpose, and that they are continually learning and growing, which will lead to a greater sense of wellbeing.

THE TALENT RETENTION CHALLENGE

In this ever-changing environment, it is important organisations are able to retain and grow their talent to fill their skills gaps and support organisational need.

The great resignation has followed the pandemic, with people re-thinking their professional career path and making the decision to leave an employer quicker than ever before. Coupled with candidate shortages the banking sector need to do all they can to retain the talent they have. Upskilling and re-skilling can play a key role in this.

Upskilling is not to be confused with continuous learning. Continuous learning often focuses more on training employees in topics relevant to their current positions, whereas, upskilling is a way to improve a workers’ current job skills, whilst also encouraging them to learn topics that may be adjacent to, or even beyond the skills used in their current role.

Being presented with opportunities to upskill and re-skill to meet the demands of the changes in the sector is often viewed positively by employees. By creating opportunities for individuals to develop skills outside of their day-to-day role organisations can create higher skilled, happier teams, which can result in higher productivity and retention.

Upskilling and re-skilling also creates an opportunity for organisations to build a talent pipeline that is fit for the future and readily available.

52% of banking firms expect to spend more on mental health and well-being support



CASE STUDY

Postbank, Bulgaria

Cutting-edge customer service

With the 30 years of successful operations in the market, being the fourth biggest bank in Bulgaria in terms of assets, Postbank (Eurobank Bulgaria AD) is one of the sector's leaders.

The company is proactive in innovation and as a result its cutting-edge solutions have been playing an important role in shaping the country's banking trends.

THE OBJECTIVE

In-line with its forward-thinking strategy, Postbank's objectives have been to ensure the relationship with their current clients are nurtured and further developed, while also attracting new customers and build long-term loyalty.

Among several local and international HR consultants, Tack TMI Bulgaria was selected as a key partner to co-create an initiative to help the company to ensure that the expectations of the bank's customers are fully met at every point in their journey with Postbank thanks to every employee bringing maximum value to the clients.

THE SOLUTION

Working closely with the Postbank HR and Branch Managers, Tack TMI Bulgaria created a bespoke development initiative to support the company in achieving its customer experience objectives. The focus was on the required additional mindset shift supported by the relevant skills development.

THE RESULTS

429 employees successfully completed the programme, including Branch Managers, Customer Service Quality Managers and Operational Risk Managers.

Key insights and skills:

- Major factors influencing a customer in his/her choice of a bank
- Moments of truth in service – practical steps
- Transforming a satisfied customer into a loyal one
- Treating customer's complaints as a gift of feedback and support in improving the service
- Reinforcing sustainable positive customer experience through the NPS tool

KEY FIGURES



32 groups



429 Learners



318 Development hours



15% Decrease in complaints

97% of the Branch Managers and **94%** of the Customer Service Quality Managers & Operational Risk Managers said that overall the training was useful for them

89% of the Branch Managers and **92%** of the Customer Service Quality Managers & Operational Risk Managers have shared that they feel more confident to consult, to show care and attention and to build long term relationships

How would Banking and Financial services benefit from new learning and development practices?

It is clear there are many challenges facing the banking sector, however, through the right learning and development interventions, these challenges can be turned into opportunities for growth.

A HOLISTIC AND LEARNER CENTRIC APPROACH

The demands for the sector to be more agile is key in its approach to learning. Employees need to be able to take on relevant information quickly and in a manner that suits them. Therefore, learning solutions must be diverse, easily accessible and current.

Customised and personalised learning that can be consumed on the go or on the job if necessary, with tools to spot talent and offer upskilling and reskilling opportunities to suit the needs and demands of the business are crucial.

REDISCOVER THE IMPORTANCE OF FLEXIBILITY

Content must be curated and passed onto the learner quickly in different modes and with options for timeframes. This is where a flexible approach to learning becomes invaluable.

There is no one-size-fits-all for learning. Individuals learn in different ways and through different modes. They must have the ability to learn on the go but with the option to access assistance where necessary. This is why providing customised learning solutions will help employees function efficiently so that the organisation can focus on driving performance and meeting external demands; with the knowledge their employees have the necessary skills to meet any potential challenges.

Digital transformation, the emergence of challenger banks and people challenges facing the banking sector means the rate of change shows no sign of slowing. To meet demands, learning and development programmes must be scalable and agile. Employees need accessible learning programmes that become part of the internal environment, supporting growth and constant change.

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CASE STUDY

Top-Tier Regional Bank, MENA

Enabling sales excellence

The bank is headquartered in Abu Dhabi, UAE, and is considered a top-tier regional bank with total assets of AED 130 billion (March 21) and 2020 Net Income of AED 1.6 billion.

THE OBJECTIVE

The bank identified a lack of systemic and structured upskilling programmes that unified the sales process yet addresses the uniqueness of each function and region within the bank. They also identified a common language was missing across all the roles, making it difficult to advance cross functionality when the opportunity arose. Attracting talented and young professionals was another identified challenge, as there would be a need to train them early in their career.

THE SOLUTION

Tack TMI MENA designed a Learning Journey with multiple phases, for each function/role, with a focus on business results and people. The programmes were banking-specific, with experiential learning and role plays as well as case studies that related the content to their everyday challenges and opportunities. Certain programmes were available in both English and Arabic, in order to cater to the market/region being served.

THE RESULTS

We trained over 1500 employees across the UAE and Egypt, through multi-tier learning journeys. We also developed an assessment process for sales managers and top performers. Across all programmes we maintained a 92% satisfaction rating.

We were also asked to design and deploy the Sales Excellence awards to recognise

those who had excelled in their business results.

The initiatives early success led to a multiyear engagement with all new hires and promotions enrolled in our academy from 2012- 2018. Furthermore, a professional sales assessment programme was established to be able to identify top performers and high potential employees.

Business skills delivered include:

- Leadership development programme
- Leading high performing teams
- Building service excellence
- Coaching for high performance
- Emotionally intelligent leadership
- Managers guide to sales success
- The professional banking manager
- Heart work – emotional intelligence
- Relationship selling
- Marketing fundamentals
- Customer service essentials
- Solutions selling
- The professional banker
- Corporate bankers sales journey
- Home finance sales journey
- Team building event for retail banking

KEY FIGURES



7 year initiative



1500 learners



92% average SLA



Contact us to learn more about our work within the Banking and Financial Services Industry, or speak to a member of the Tack TMI team to explore how our solutions can support your business.

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