



GETTING IT RIGHT WITH DIGITAL TALENT

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A DECADE LATER, INVESTMENT BANKS LARGE AND SMALL ARE STILL ADJUSTING TO THE AFTERMATH OF THE FINANCIAL CRISIS. IT'S MOST APPARENT IN THE SECTOR'S KEEN (AND UNDERSTANDABLE) FOCUS ON RISK MITIGATION, REGULATORY COMPLIANCE AND COST CONTAINMENT. IT'S ALSO EVIDENT IN THE HUMAN RESOURCES OFFICE. THE FACT IS THAT IT'S BECOMING HARDER AND HARDER TO RECRUIT AND RETAIN TOP TALENT.

PUSHING RESET ON WORKFORCE MANAGEMENT

The trend of workers shying away from the industry poses a significant problem. To succeed in the future, investment banks need to be able to attract the best and brightest. But how can they win the competition for talent when other companies are apparently offering more interesting, engaging and meaningful work?

One solution is to ramp up the use of digital tools, analytics and robotics. At a time when some industries are using machines to replace workers, investment banks may use machines to lure them back.

THE BRAIN DRAIN

Two phenomena in the investment banking sector—leaders' ongoing commitment to "staying the course" and the talent shortage—are not entirely unrelated. Because the focus of investment banks has shifted to cost and risk, employees may no longer perceive these institutions to offer the most innovative or exciting work. Recent Accenture Strategy research suggests that's one of the main reasons young professionals are steering clear.¹

Today's graduates are looking for a personalized career experience. They want interesting and meaningful work that ignites their passions, and an open and engaging corporate culture. For most new hires, investment banks today just don't tick those boxes. The talent acquisition problem is particularly acute for large banks. In 2013, 12% of US graduates saw banking and capital markets as a top industry to work for. This has dropped to 7% in 2016, according to recent Accenture research.² It's not just young professionals who are staying away. Many of the keenest minds in finance are shying away from an industry that isn't seeing historic profitability, is struggling to rebuild its public reputation, and is facing tightening regulatory restrictions.

Investment banking's perceived limited innovation potential is a major reason why new and experienced professionals alike are seeking fortune and bliss in smaller, private investment partnerships and other companies in high-tech and fintech industries.³

Banking executives know they should champion new ways of working if they want to survive, much less compete. They need to make jobs more appealing by creating a workplace environment that encourages collaboration and values creativity. In short, they need to reintroduce innovation into their cultures and operating models.

Fortunately for them, machines are ready to help.

QUICK FACTS

ONLY **7%**
of US graduates saw banking and capital markets as a top industry to work for

82%
of employees expect digital to transform their work in the next three years

Source: Accenture

HUMAN AND MACHINE

It's no secret that social, mobile, analytics, big data, cloud and interactive technologies are changing the way workforces operate. Over three-quarters (82 percent) of employees surveyed by Accenture expect digital technologies to transform their work in the next three years.⁴ So far, most banks have not taken full advantage of what digital technologies can offer.⁵

It doesn't have to stay that way though. With the advent of advanced analytics, automation, cognitive computing and robotics, investment banks have an opportunity to use digital technologies to improve efficiency and performance. This is their chance to be leaders and show how digital adoption can make investment banking careers more appealing.

The main challenge—and opportunity—will be adapting the roles of human employees and incorporating new technologies into the existing workforce in a way that takes full advantage of what digital technologies can offer. Forward-thinking organizations will ask themselves:

- What is our talent strategy for attracting and retaining the skills we will need in the future?
- What human tasks can we automate and what human capabilities can we augment to improve business outcomes and employee satisfaction?
- How can we create an effective culture that fosters collaboration between machines and humans?
- How will the introduction of new technologies impact business roles and how we manage and lead our workforce?

ENRICHING WORK, ENGAGING WORKERS

In addition to automating routine work processes (see Challenge 3 "Turning Automation Into Intelligence"), machines and artificial intelligence can enhance human capabilities to facilitate decision-making and improve the emotional intelligence and relationships correlated with star performance. As machines assume more and more banking tasks, inherently human skills such as innovation, empathy, judgment and complex problem-solving will become more valuable.⁶ When it's clear that investment bank's social capital is just as important as its intellectual capital, talent will likely be more inclined to stay or apply.

By embracing humans and machines as critical "co-workers," banks can play to the strengths of both. That translates into opportunities to create new roles or change existing ones (see figure 1), monitor worker engagement and satisfaction, and improve the overall work experience. Automation and self-service trading could clear the way for new or expanded

jobs in areas such as service integration, cloud and relationship management, and risk management. Additionally, automation could enable banks to become more service-oriented, allowing humans to focus on serving clients and developing products that satisfy their needs.

Investment banks might even use digital and wearable technologies to quantify employee actions and sentiments—from how happy they are to how well they perform. New apps make it possible for banks to monitor workforce biometrics. Risk managers can use these insights to spot questionable behaviors and preempt impulsive decisions.⁷

Most employees seem comfortable with this type of monitoring. Over half of all employees surveyed by Accenture felt positively about their employers using digital monitoring and tracking technologies to provide them feedback or evaluate their work.⁸

GETTING IT RIGHT

If banks want to use digital technologies to enable human performance and win the competition for talent, they need to:

- **Conduct strategic workforce planning.** As machines take over certain tasks, consider which human capabilities can be augmented, where human capabilities are needed most, and how people can be reskilled to perform more valuable work.
- **Create an "always-learning" organization.** Digital transformation requires multi-skilled generalists who are flexible and learn quickly. Revise existing training and coaching programs, and individual performance criteria, to reflect principles of collaboration and continuous learning.
- **Use performance management as a development tool.** Incorporate coaching and feedback—not only from managers, but also from other employees and even smart machines—to help people learn, experiment and constantly improve.
- **Transform managers into machine collaborators who excel in judgment work.** Revisit and realign talent sourcing, development and reward strategies. Refocus leader attention from issuing commands to orchestrating networks that push decision-making to the edges of the organization.
- **Build a culture of trust.** Managers need to trust the data that machines provide and collaborate with machines to execute work. Be transparent in communications and involve people at all levels in the organization to co-create change.



Figure 1: Digital workforce impact for investment banks

	Digital impact: 2025 workforce vision	Change in existing roles	Removal of existing roles	New roles
CLIENT SERVICES AND SALES	Major sales force reduction from move to cloud-based data-driven solutions. Retained workforce focused on relationship management and client analytics. New role of product managers.	✓	✓	✓
RESEARCH	Some administrative and technology roles reduced.		✓	
CORPORATE FINANCE	Vast majority of technology, reconciliation and administrative roles moved to cloud based service providers. Retained workforce will focus on management accountants and analysts.	✓	✓	
TRADING	Middle office trade support roles reduced and replaced by cloud-based providers. Front office technology support disappears. Increase in front office roles doing artificial intelligence, analytics, algorithms.		✓	✓
WEALTH MANAGEMENT	Advisory workforce largely replaced by cloud or robo-advisors. Retained workforce will focus on high value relationships and client and market analytics.	✓	✓	
ASSET MANAGEMENT	Bulk of administrative and back office technology support replaced by the cloud.		✓	
CROSS PRODUCT PROCESS	100% of manual processing and support capacity shifted to industry utilities and cloud-based automation. Retained roles focus on control and governance.		✓	
DATA MANAGEMENT	Growth in new data management function as guardians are needed for proprietary data architecture and control.	✓		
RISK MANAGEMENT	Most technology roles replaced by cloud-based risk platform providers and industry utilities for reporting. Retained roles focus on risk control.	✓	✓	
REGULATORY COMPLIANCE	Increase in headcount and improved surveillance and analytics tools run from cloud services.	✓		
TECHNOLOGY	IT engineering teams replaced by cloud, with value-adding IT architects moved to business teams. IT and security architecture teams will design and assemble new services from internal IP and XaaS. A new cloud service management team will manage third parties and digitally monitor business operations in real-time.	✓		✓
FINANCE	Vast majority of technology, reconciliation and administrative roles moved to cloud based service providers. Retained workforce will focus on management accountants and analysts.	✓		
HR AND CORPORATE FUNCTION	Some administrative and technology roles reduced.		✓	

Firm function key ■ Client services ■ Core IB ■ Cross product processing ■ Corporate core

Impact key ■ Primary impact ■ Secondary impact

Source: Accenture research based on publicly available sources.

Only 14 percent of first-line managers and 24 percent of middle managers readily trust the advice of intelligent systems in making business decisions. Among senior executives, that figure rises to 46 percent. Managers who were surveyed indicated three things that would help close the trust gap:

- Understanding how the system works and generates advice (60 percent)
- Using a system with a proven track record (55 percent)
- Using a system that explains its logic (49 percent)⁹

TO THINK ABOUT

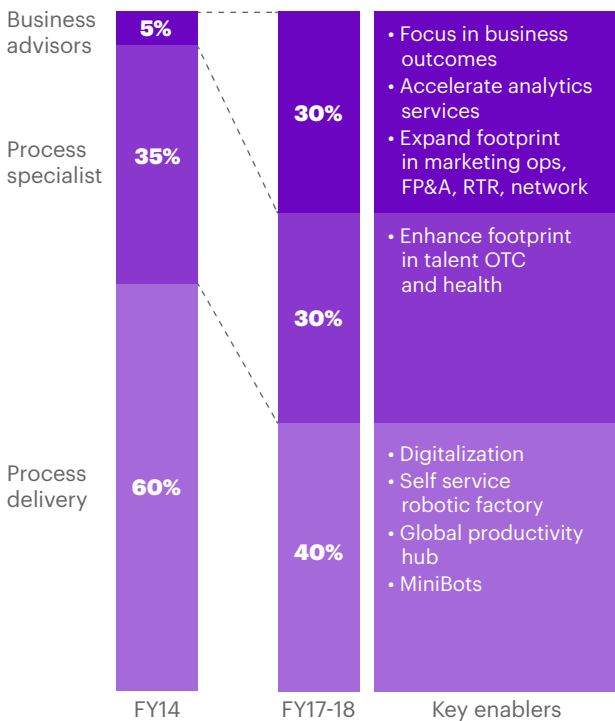
Securing the future workforce is a critical priority for investment banks. Machines—in the form of big data and analytics, robotics, artificial intelligence and cognitive computing—could not only offer direct business benefits but also the chance to create more interesting and meaningful employee experiences. No longer passive assistants, machines are now active advisors and partners in creating a dynamic and innovative workforce for the future.

CASE STUDY: HOW ACCENTURE IS ADDRESSING THE DIGITAL WORKFORCE

Within Accenture Operations, intelligent automation and robotics have been used to improve the productivity of more than 17,000 professionals. By reskilling people to take on business-advisory roles and focus on business outcomes, and shifting internal resources to fill more valuable roles, Accenture has created more fulfilling careers. Losing jobs does not mean losing people.

“AT A TIME WHEN SOME INDUSTRIES ARE USING MACHINES TO REPLACE WORKERS, INVESTMENT BANKS MAY USE MACHINES TO LURE THEM BACK.”

Figure 2: How robotics will impact the talent mix at investment banks



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