

Financial services: How to resolve your **top three HR challenges**

With Brexit looming and AI threatening to replace roles, assessment now has a broader role to play in resolving the key talent challenges, says Andreas Lohff



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With Brexit looming and AI threatening to replace roles, assessment now has a broader role to play in resolving the key talent challenges in the financial services sector

Fears that jobs and operations may be relocated out of Britain because of Brexit are fuelling a recruitment crisis in the financial services sector. And it's not just concerns around moving offices elsewhere that's fuelling confusion around careers in the sector – just this week, a group of leading finance executives warned that as many as half of the sector's jobs could be lost to artificial intelligence.

Other sectors, such as technology, offer a real alternative to talented candidates. Against this backdrop, the question that many leaders in financial firms are now asking is: How can we attract and recruit top candidates, now that we're competing for talent with many more industries?

To answer this, our sister company McLagan conducted a survey of the talent management practices at 265 financial services firms.

Improving performance

Its report, the McLagan Talent Pulse, highlights the three biggest HR challenges in the industry:

- ➔ the retention of key talent,
- ➔ talent attraction; and
- ➔ leadership development.

Firms are focusing on retaining their key talent by improving their performance management processes and by fostering a culture that more closely aligns with their strategic priorities.

However, attracting talented performers – and getting recruitment right the first time – is proving a tougher nut to crack. For many firms, talent sourcing and selection are high priorities. Yet, surprisingly, only 47% of the surveyed firms use any formal assessment tools for hiring.

The science of assessment has developed incredibly quickly in the last few years. The most effective tools predict critical outcomes such as performance, engagement, values fit and retention. They can also improve the speed and efficiency of your hiring process. Static employee tests developed decades ago have been replaced with adaptive assessments which offer a distinct competitive edge.

It's not just the type of assessment that's changed but how assessments are offered to candidates.

Going mobile

Of those firms that utilise assessments for hiring, hardly any are leveraging the latest technology. Only 7% are using mobile assessments. This is a big mistake given that mobile phones are not just indispensable aids, they've become a fundamental part of our lives. For millennials, their phone is central to their lifestyle, much more so than their laptop.

This is relevant because, according to PwC, 50 percent of your workforce will be millennials by 2020. You need to attract, recruit and retain them – and phones are their preferred device. So unless you're equipped to enable talented candidates to take assessments via their phones, particularly in high volume recruitment situations, you risk losing them to competitors – especially to those technology companies that often top graduate job lists.

Assessment is not only about finding the best talent, it can also help you to identify new skills that haven't been focused on before. Roles in financial services firms are evolving and so are the skills needed to fulfil them. Advances such as roboadvisors/chatbots and automated tellers are beginning to have an impact on both consumers and how we work.

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While there are different opinions on the pace of automation, there is little disagreement on the impact it will have on the workforce. Tomorrow's talent will need to embrace technology, collaborate with others and work effectively in a modern, digital environment. This means that financial services firms will need to assess specific digital competencies, including learnability, agility and curiosity.

This demands a methodical approach. Recruitment can no longer be left to the 'gut feel' of your hiring managers. If you're not using assessments in your selection, you should rectify this. If you do already use assessments, review your portfolio to ensure your tools are providing a nuanced picture of each candidate's personality, behaviour, work style and ability.

The latest options include gamified assessments, video assessments and mobile enablement. Aim to impress your candidates with a slick and easy assessment experience. You can measure the ROI of your assessments – and create useful talent analytics – by linking people's assessment results to their subsequent performance in the role.

Identifying leaders

Assessments can also help you to develop your existing leaders and to select internal candidates for succession planning. The risks of dysfunctional leadership are not just bad publicity and damaged brands, but real monetary costs. Succession planning is about business continuity and mitigating organisational risk. But, in many financial services firms, leadership development is either non-existent or it's an exercise in box-ticking.

Less than half of McLagan's surveyed firms formally manage succession. Most do not complement their leadership development programmes with talent assessments. These can provide leaders with a focus for their development, by identifying any gaps in the desired skills and traits.

Building a ready pool of future leaders will reduce the risk of critical positions going unfilled. However, caution needs to be applied here. What makes someone successful in one role does not necessarily translate to the next rung up the leadership ladder. So you need to be clear on what specific competencies and qualities you want to assess.

In today's organisations, assessment now has a value beyond recruitment. It's not just about maximising the person-job match and minimising the risk of early attrition or the expense of making a bad hire. Assessments – and the resultant data – can transform your talent management practices and resolve your top HR challenges. The procurement decision for assessment has never been more important.



About the author & cut-e

Andreas Lohff is a strategic assessment specialist and a distinguished business psychologist. As CEO of Aon's Assessment Solutions, he leads the company's growth and manages its international development within the Global Talent, Rewards and Performance practice. Andreas co-founded cut-e Group, a global talent management and assessment specialist, in 2002 and was its managing director when the company was acquired by Aon plc in 2017. cut-e and Aon, as Aon's Assessment Solutions, undertake 30 million assessments each year in 90 countries and 40 languages.



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About cut-e

Founded in 2002, cut-e (pronounced 'cute') provides online tests, questionnaires and gamified assessments for attraction, selection, talent management and development. The company's smart, valid and innovative psychometrics have made it the preferred partner of multinational organisations.

In May 2017, cut-e was acquired by Aon plc, a leading global professional services firm providing a broad range of risk, retirement and health solutions. cut-e now operates as part of Aon's global offering in talent solutions, helping clients achieve sustainable growth by driving business performance through people performance. cut-e and Aon, as Aon's Assessment Solutions, undertake 30 million assessments each year in 90 countries and 40 languages.