

Transitioning to a new world of work in financial services

Instead of replacing people, technology augments them—creating a cascade of opportunities



It seems virtually every profession is changing. Is it any surprise that financial services is too?

The popular imagination seems to have two competing images of the industry: at once traditional and hidebound, but at the same time deeply embedded with technology. As phenomena like robotics, cognitive technologies, and automation continue to advance, they are likely to affect both culture and process.

But are machines poised to “take people’s jobs?” Not in the way people think. That’s because those technology developments are only one part of the story. Leaders in talent functions should know the broader picture so they can own the narrative within their own organizations, inform their leadership, and steer change that is driven by more than media hype.

The real scope of the changing work experience in financial services is truly the Fourth Industrial Revolution—a rapid, deep connection between the physical

and digital worlds that will embed the power of data, analytics, and mobility into almost every business function. In this vision, machines aren’t replacing humans. The machines are augmenting human capability.

This leads to a new kind of workforce operating in a new kind of workplace—one that will differ from the traditional model along several dimensions. What routine work can machines and robots take off people’s hands? And what would that mean for employees and their organizations? In financial services, these are real questions. For example, in 2017, life, health, and property and casualty companies filed more than half a million documents with state regulatory agencies.¹ Think about the increased strategic value that people checking those boxes could bring to their CXOs and board members, to

their colleagues, and to their customers if technology freed them from more mundane tasks. And how much more fulfilled would they be in their jobs if they could focus on more interesting work?

You’re likely already looking at what your critical workforce segments are. Now, imagine what each will look like in the future. What can the enterprise do to pave the way for that evolution?

How can a company not only ease the transition to a new way of working, but gain new value from it?



The answers to these questions are like the workforce changes themselves: They bridge the human and technology worlds. In addition to building tools, organizations may want to develop the new human skills the tools will complement. Instead of relying on technology only to speed up existing tasks, it's time to identify new operational roles that will align the technology to generate new kinds of value.

We're already seeing this change in action. A major financial institution found that mindsets and technology had to move together. So did structure: Adding new tools for reporting also led to the creation of new operational centers where the work took place. Many employees were freed to do other work. "Plugging in" new technology led to new physical work locations, new job descriptions, and new reporting lines—in addition to the process efficiency the company looked for in the first place.

Another organization has incorporated a virtual digital assistant – the same voice-activated technology many people

are using to get weather forecasts and sports scores in their living rooms – as part of its trading floor operations. But there's more to this evolution than wiring in new technology. It's also creating new markets, like robo-advisors, and requiring we bring new kinds of talent into the financial services industry that haven't been there in the past. Many companies are hiring data scientists, technologists, artificial intelligence engineers, and other specialists whose prior experiences may not have been in their industries.

This blending of new tools and new ways of working has the potential to reach the front-, mid-, and back-office environments. But instead of taking away jobs, these changes can allow people to be more customer-focused. This means spending less time "pushing paper" as automation frees up time for them to serve as trusted advisors. And a greater command of data will let them devote as much energy to following opportunities as they do to avoiding risks.

With new tools, the specialists in an organization can become "exponential professionals" – people, with essential human skills, only more powerful than before.

But with all the energy spent on regulation, customer security, and other pressing concerns, financial services organizations may not have spent much time on crafting a vision for the future of their workforce. That can't remain the case going forward. When you combine external forces such as regulation and competition with internal forces such as changing workforce expectations, it's clear financial services organizations are facing significant change. And their approach to an evolving workforce augmented by technology will need to keep pace.



Start the conversation

This article is part of a series on the workforce of the future and its impact on the financial services industry. To read more, visit www.deloitte.com/us/fsi-future-of-work

¹ Deloitte research of S&P Global Market Intelligence's Rate Watch as of 2/26/2018.

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