“Future-proofing” an organization is something you hear a lot about lately. But is that the real objective? “Proofing” something means you’re playing defense. Preventing harm. Shouldn’t a “future-proof” business aim higher than that?

In financial services, a clear view of today’s unfolding changes can do more than prevent loss. It can empower an organization to take advantage of more opportunities. Anticipating and planning for the rise of technology is important, but it’s only one step. People are evolving, too. New ways of working, already far removed from traditional norms, will continue to progress. Organizations are beginning to measure the value of talent itself in new ways. And ones that put it all together can transform themselves and create the conditions not merely to withstand the future, but to sustain heightened performance over the long term.

“Everything’s changing” is a bell you’ve heard rung before. What’s different now? A combination of disruptive forces that are global in their scope: economic forces such as expanded freelancing and the rising “gig” economy, lifelong learning, the falling price of automation, and some countries’ experiments with a universal basic income. Geopolitical forces including slow growth and the narrowing digital divide. Legal forces like new forms of labor organization and controversies related to talent for gig-focused companies. Social and demographic forces such as the emerging “100-year career” and wherever-whenever mobility. And, of course, technological forces like big data, human-machine collaboration, remote crowdsourcing, and automation.

New pressures require new strategies, because the old rules don’t apply anymore. But new strategies can pave a way beyond the pressure of the moment and define a profitable future.

The financial services workplace of the future overcomes legacy issues such as aging core banking systems, growing webs of regulation, and margin pressure, while capitalizing on new technology and new employment models to better serve clients with evolving needs and more access to information and advice than ever before.
Financial services firms that thrive under these new realities will have mastered five interlocking core issues:

Transition to the future of work. The days of full-time employees who sit in your building are fading fast. Traditional structures are becoming obsolete as the workforce shifts in its composition, demands, and expectations. To capitalize, organizations need to be proactive in understanding how work will be done in the future and what the workforce and workplace should look like.

Activate the digital organization. Technology change is visible, dramatic—and only part of the picture. The organization must transform in step with the tools it uses. When a company can organize, operate, and behave in a digital way, it can create a workplace that doesn't only equip teams but also empowers them. To do that, organizations must understand and activate their “digital DNA” and develop leaders who know how to act, think, and influence according to new patterns.

Create the “simply irresistible” experience. Who's chasing whom? Members of a generation of wired workers who can sell their talents anywhere are not necessarily lining up at your door with hat in hand. As much as pay and title—maybe even more than that—today's workforce demands an experience. From the physical workspace to the digital workplace, from the leader to the front-line employee, and from performance management to incentives, a simply irresistible experience puts employees at the center, helps them feel engaged, and keeps them in the fold.

Optimize the human capital balance sheet. Workers live on both sides of the balance sheet—they’re assets, not just a cost of doing business. That's good, because human capital is often the biggest component of any P&L. But it’s a challenge, because employers need to navigate changes in health care, pension reform, immigration regulations, tax laws, and workforce composition in order to make sense of the master cost-benefit equation. The stakes? Not just red and black numbers, but also an organization's corporate and employment brand.

Sustain organizational performance. This is the capstone that brings the other pillars together. “Playing defense” against disruption isn’t only a weak response—it’s also a fleeting one, because while you’re celebrating your defense, the disruption never rests. The biggest organizational challenge is to stay ahead of the pace and never flag. To continue to grow and outperform the market, organizations must constantly adapt and invest in new capabilities so they can take advantage of the rapidly developing opportunities around them.

For leaders in financial services organizations, tracking the trends that shape the workplace of the future is one of many mandates. They still should stay on top of customer experience, core technology, robotics and cognitive automation (R&CA) solutions, and powerful emerging forces like blockchain. But unlike those other concerns, workplace and workforce transformation doesn’t come with a champion in place. You can't do this without HR, but it is much bigger than an HR issue. When leaders at the top recognize and embrace the transformation that's all around them, they can provide the impetus to navigate it effectively.

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
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