# employer branding in financial services report

Randstad Employer Brand Research 2017

Employer Brand Research 2017
powered by randstad

www.randstad.com/workforce-insights

## Even with the lure of big pay, the financial services sector lags others in attractiveness

When the global recession began in 2008, it left an indelible stain on the financial services industry for years to come. A decade later, the sector continues to struggle with its image as a business and employer, making it more difficult to attract the kind of high-quality talent it needs to sustain industry-wide technological transformation currently underway.

According to the 2017 Randstad Employer Brand Research, which surveyed more than 160,000 working-age adults around the world, Wall Street and the global financial services sector overall suffer from an image problem when it comes to talent attraction. Among all sectors, it ranks 10th in attractiveness as an employer, with only 41% saying they would like to work in the business. Worse yet, it ranks 13th in Europe and 11th in North America. The industry fares better in Asia (ranked 6th) and Latin America (ranked 9th).

In comparison, high-profile sectors such as technology, IT, life sciences/pharmaceuticals, ranked 1st, 2nd and 3rd respectively, are perceived much more favorably, with about half of those surveyed saying they want to work in these fields. On the other other hand, the financial services sector is more attractive than logistics, retail and energy — the three least attractive specialties, according to Randstad's research.

Undoubtedly, the financial services sector has struggled with an image problem since the global financial crisis in 2008. Since then, many large banks have been portrayed negatively in the news. At the same time, many fines have been levied against the industry. And despite a business-friendly environment in the U.S. today, there is also growing consumer sentiment globally that the financial services sector needs greater regulatory oversight.

The rising public scrutiny, combined with a shift in worker attitudes, is contributing to the low attractiveness of the sector. As a result, that has led to fewer high-skilled, high-quality workers to choose a career in financial services, according to one insider. "Nate", a senior managing director at a well-known New York-based investment firm who asked that his real name not be used because his employer won't allow it, said in his career spanning two decades, the sector's allure has declined significantly, despite continued news of high payouts in compensation and bonuses.

He points to the constant stream of criticism against banks — some of which he says is justified, others not so — as one reason why workers, especially graduates, are turning to other sectors. Additionally, the sector is falling behind in competing against sexier business such as technology, which he said can offer interesting work, a casual environment and flexible schedules.

"We have trouble attracting people to begin with because we are a regulated industry. And then we require workers to come into an office, work regular business hours because that's when markets are open and invest long hours in hopes of a big bonus payout, which may not happen," he says. Other sectors, however, can offer a much stronger employee value proposition (EVP), he adds. Unlike big banks and other financial institutions, start-ups in the tech sector have much more flexibility in their office hours, often allow employees to work remotely and forego ties and pantsuits in favor of khakis and polo shirts.

## more attractive to younger workers

While the sector's overall appeal remains low, appealing to just 41% of those surveyed, there is a silver lining: among recent grads in the ages of 18-24, the financial services sector is more popular at 44%. It is particularly high among this age group in Asia, where 55% would like to work in this field. Similarly, in Latin America, it appeals to 52%.

Where the sector really struggles is among older workers — those 45 to 65. Just 24% of North American workers in this group wanted to work in financial services, followed by 31% in Europe, 45% in Asia and 46% in Latin America.

With younger generations more inclined to pursue a career in this field, it may bode well for employers seeking to build a deep talent pool capable of sustaining the waves of innovation that the industry is currently undergoing, according to Rita Riley, Vice President Global Client Solutions at Randstad, and an industry thought leader on labor trends in the financial services sector. She points out that with many financial institutions transforming the way they do business — implementing greater use of automation, enhancing self-service for investors and leveraging the latest digital technologies to redefine the customer experience — the skills employers are seeking are changing as well.

"This shift is affecting not only how they do business but also how they hire talent. The skills they need today and tomorrow are significantly different from what they were just a few years ago. That puts them in direct competition with the Googles of the world for smart, digitally native workers," she says. "Some of our customers are developing highly innovative ways for customers to bank and invest with them. The companies who are most agile — those with the people resources to adapt their business models almost overnight — will emerge as the leaders in this field."

"Automation and robotics have been huge developments for the industry recently. You can be sure that this wave of innovation will continue for the foreseeable future and lead to greater demand for these skills," Riley adds. She points out that this has

led the industry to compete for more engineers and software developers, who may be inclined to work for a more attractive industry such as software technology or automotive manufacturing.

In recent years, the financial services sector has made tremendous strides in bringing in automation and robotics to its business. According to Forbes, Robotic Process Automation (RPA) has led to workforce virtualization, which has been ideal for an industry that processes high volumes of transactions under strict regulatory guidelines. Robotics are especially effective at risk management and compliance review, determining whether employee conduct or credit exposure meet regulatory and internal mandates.

Automation has changed the way firms are delivering services to clients. According to MIT Technology Review, Goldman Sachs in 2000 employed 600 traders at its cash equities trading desk. Today, the company has retained just two of those positions; in their place are 200 computer engineers who carry out the company's trade automatically. The impact of such workforce changes is both transformational and detrimental, depending on whose point of view. One thing is clear: the employee value propositions that used to resonate with prospective hires don't have the same strong appeal anymore.

That's the view of one London-based executive who also asked not to be named. Working at a large international bank, he said his firm and others are well aware that a high compensation package alone is not enough to attract and retain the good workers. The need to satisfy greater aspirations is on the minds of many financial services leaders, who are emphasizing other aspects beside salaries to draw in candidates.

"Yes, financial rewards are the most important attraction factor in the sector. But salary and benefits are not everything. It's not enough. You cannot expect people to work 12- to 14-hour days just for a salary," he says.

## other than the money

So what are the other factors that attract workers to the financial services sector? According to this year's Randstad Employer Brand Research, an attractive salary and benefits, a good work-life balance and a pleasant work environment are universally cherished by workers in every sector as the top three qualities they seek in an employer. Beyond these, workers in the financial services sector also prioritize job security, the financial health of their organization and career opportunities as the next three most important traits.

How do workers view the abilities of companies in the sector to deliver on these requirements? Not very well, at least not the big organizations. Of the most important traits they believe large employers are good at fulfilling, a pleasant work environment and good work-life balance ranked only 7th and 8th. Providing an attractive salary and good benefit didn't even place among the top 10 attributes of large employers.

Rather, they perceive large employers in the sector are most effective at being financially healthy, maintaining a good reputation and offering long-term job security

### most important attributes in future employer for finance employees (% agree)

1. 63% Attractive salary and benefits
2. 50% Good work-life balance
3. 44% Pleasant work atmosphere
4. 44% Long-term job security
5. 39% Financially healthy
6. 37% Career progression opportunities
7. 35% Flexible working arrangements
8. 29% Conveniently located
9. 24% Strong management/leadership
10. 24% Stimulating and challenging work

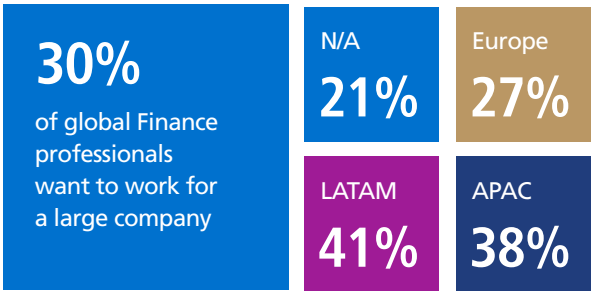
### core values attributed to largest finance companies (% agree)

1. 60% Financially healthy
2. 50% Good reputation
3. 49% Long-term job security
4. 49% Career progression opportunities
5. 47% Uses latest technologies available
6. 44% Work is stimulating and challenging
7. 40% Pleasant work atmosphere
8. 39% Good work-life balance
9. 36% Cares for the environment/gives back to society
10. 20% Will face challenges in the next decade

— the top three in that order. Notably, two offerings that large companies often boast turns out not to be very important to workers in this sector: international career opportunities (cited as unimportant by 61%) and entrepreneurial ways of doing business (48%).

Another challenge for large companies is that most workers are not inclined to join them. Among financial services professionals surveyed by Randstad, only 30% want to work for a big corporation. The antipathy toward big businesses is especially prevalent in North America (21%) and Europe (27%). In Asia, that percentage is 38% and 41% in Latin America.

## Finance Professionals
want to work for a large company

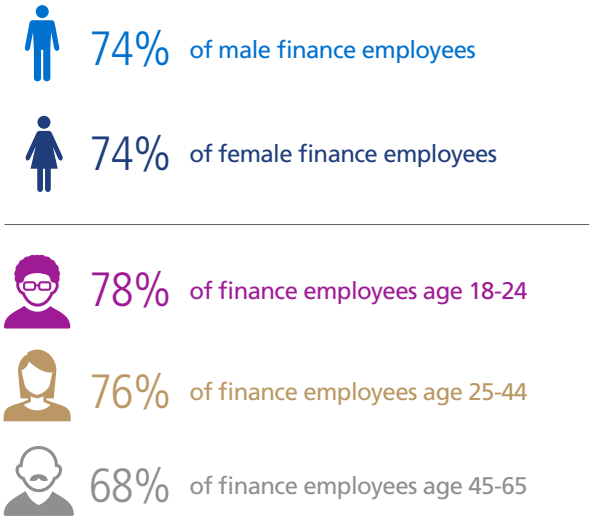



These numbers may be especially troubling for the sector since it has been undergoing strong consolidation over the past decade, accelerating during the financial when many long-time brands such as Lehman Brothers disappeared. As financial services companies continue to gain scale, how attractive they are as employers will solely depend on their ability to develop an effective employer brand strategy and communicate their EVP. In other words, scale and sector attractiveness will not necessarily be an asset when competing for talent.

"Competition for skills, especially for digitally savvy workers, will be difficult for the sector because tech companies possess such a strong appeal for that audience. However, leading banks have been pretty sophisticated and forward thinking in the way they approach employer branding, which evens the playing field when recruiting for great talent," Riley points out.

But even when financial services employers win talent, retaining them over time becomes a challenge. Our research shows that 74% of workers in this field are willing to switch their careers to a different sector if the conditions are right. This percentage is higher than among all workers surveyed, showing there is even less loyalty in this industry. The 28% of those who said they were not particularly attached to financial services were a higher portion than for across all industries.

## willingness of financial services professionals willing to switch sectors



## what the future holds

As the sector continues to embrace automation and robotics, will it help or hinder its image as employers? Randstad's research shows there is both optimism and apprehension, excitement and fear among its workers. Nearly half (44%) say automation will help make their jobs better, which is higher than the 40% expressed by workers in all sectors. At the same time, 16% say automation threatens their jobs, which is higher than the 13% who feel the same across all industries.

Nate, the senior managing director from New York, says he has led initiatives that resulted in greater automation at his current and former employers. He points out there will be winners and losers from this trend: the ones left standing in the end will absolutely see automation enhance their jobs while others will see their positions axed. Whether these workers remain with the organization depends on their adaptability.

"I'm not saying former traders should all go out and learn to be programmers, but with a little bit effort to be reskilled, many of these workers can continue to thrive in the financial services industry. I don't think the ability to adapt is based on age. It's really a matter of attitude," he adds.

However, our research seems to indicate otherwise. Among the youngest group of those surveyed (ages 18 to 24), 70% express a willingness to retrain to keep their jobs for the same pay. A bit fewer (64%) of those 25 to 44 hold the same attitude, but just 59% of the oldest workers (45 to 65) are willing. In North America, just 50% of the oldest generation would retrain — the lowest level of any group by age or region.

Around the world, the financial services sector is at a crossroads. As its business model continues to evolve at blazing speeds, how it attracts, engages, hires and retains talent must change also. By understanding the preferences of its workers and how they compare with those in other industries, human capital leaders in the sector will be better prepared to acquire the resources they need to sustain the current wave of innovations take place.

The Randstad Group is a global leader in the HR services industry and specialized in solutions in the field of flexible work and human resources services. By combining our human touch with technology, we aim to offer both clients and candidates the best tools and solutions for increased efficiency and engagement, connecting more people to more jobs.

Randstad's resourcing capability gives us a unique 360-degree perspective on workforce trends. We share our extensive knowledge of employer branding, HR tech and the labor market through research studies and guidance on emerging best practice, which includes the Randstad Employer Brand Research.

More information:
www.randstad.com/workforce-insights

Employer Brand Research 2017
powered by randstad