

randstad
enterprise.

2023 talent trends sector report

banking & financial services.

reframe your enterprise
talent blueprint



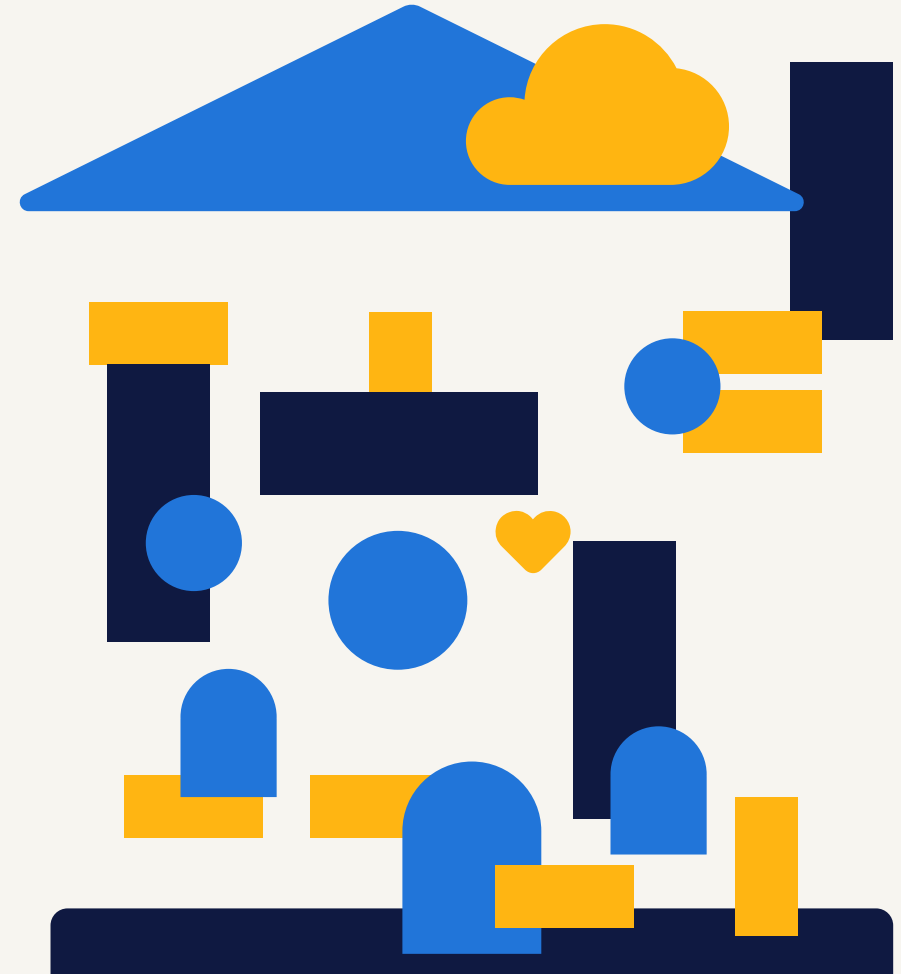
workforce resilience and relentless change.

Innovation is reinventing the new normal — and reshaping the world of work. As digitalization skyrockets and inflation persists, the banking and financial services (BFSI) industry grapples with global banking crises, increased regulatory scrutiny, rising liquidity risks and fluctuating efficiency ratios. Technology brings unique challenges to the sector too: customer diversification requires seamless digital experiences, while increasingly sophisticated cybersecurity risks call for heightened vigilance.

Employers are facing a hiring paradox; they're making workforce cuts, but simultaneously working to attract the best and brightest talent for in-demand roles. Today, workforce agility and resilience, combined with contingency planning, are top of mind for business leaders worldwide.

To get insights into trends shaping today's world of work, Randstad Enterprise's 2023 [Talent Trends](#) research surveyed more than 900 C-suite and talent leaders across all sectors, including more than 150 leaders in the BFSI sector. Our research shows that organizations worldwide are doing far more than facing uncertainty; they're embracing it, despite their concerns. To adapt, companies are complementing talent acquisition with coaching, skilling, and learning and development (L&D), in addition to outsourcing, to create sustainable solutions and meet new demands.

By optimizing their existing resources — and doing more with less — talent leaders are focusing on strategies across the entire enterprise talent life cycle that maximize value, elevate business performance and increase workforce agility. Today, the transformative power of the talent experience remains the driving force behind the future of work.

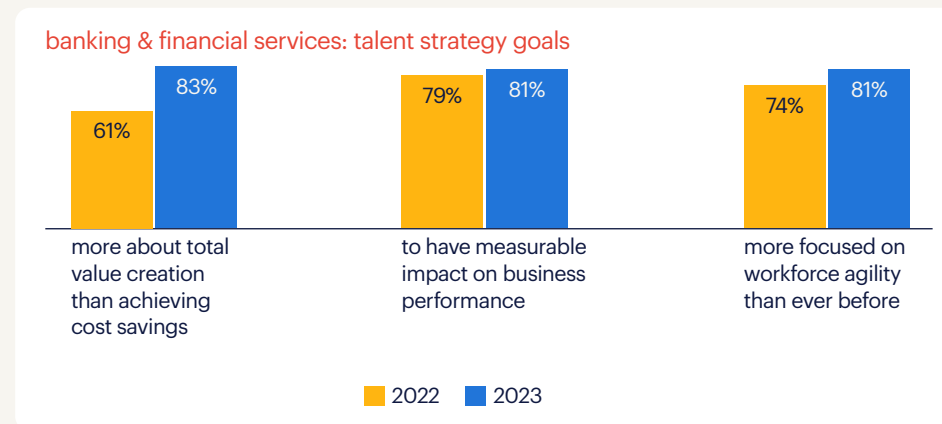


finding opportunity in uncertainty

Randstad Enterprise's 2023 Talent Trends research shows that the BFSI sector is emerging at the forefront in the global quest to maximize value and is prioritizing sustainable, long-term workforce planning.

Our research reveals an overwhelming commitment to value; 83% of BFSI talent leaders say their talent acquisition strategies are more about total value creation than cost savings — jumping 22 points from just 61% last year. At the same time, 81% state that the goal of their talent strategy is to have a measurable impact on business performance, and 81% are focusing on workforce agility to execute their strategies, up from 74% in 2022.

So, how are C-suite and talent leaders creating value? First and foremost, they are focused on building and amping up a sustainable workforce.



building a sustainable future of work

Right now, workforce agility is paramount to every organization's ability to thrive and succeed. To fuel agility, talent leaders are turning to coaching, skilling and internal mobility to meet new demands. Gone are the days of simply hiring new talent to fill skills gaps — that's not sustainable.

Now, BFSI companies are bolstering their L&D engines while building coaching cultures to empower their people and nurture potential. In fact, 83% agree that the role of talent acquisition has been significantly elevated and they're expected to think about mobility, development, career pathways and skilling.

Another driver of workforce agility is the talent experience. Throughout the total talent life cycle — from attraction through mobility, retention, transitions and retirement — how an organization treats its workforce will greatly influence how receptive talent is to change. Nurturing and empowering your people at every touch point of the talent experience is essential.

Among its vast benefits, workforce agility enables talent leaders to skill, shift and scale their workforces as market conditions change. While helping organizations overcome talent scarcity, workforce agility also increases internal mobility, reduces recruitment costs, and builds a loyal and sustainable workforce.

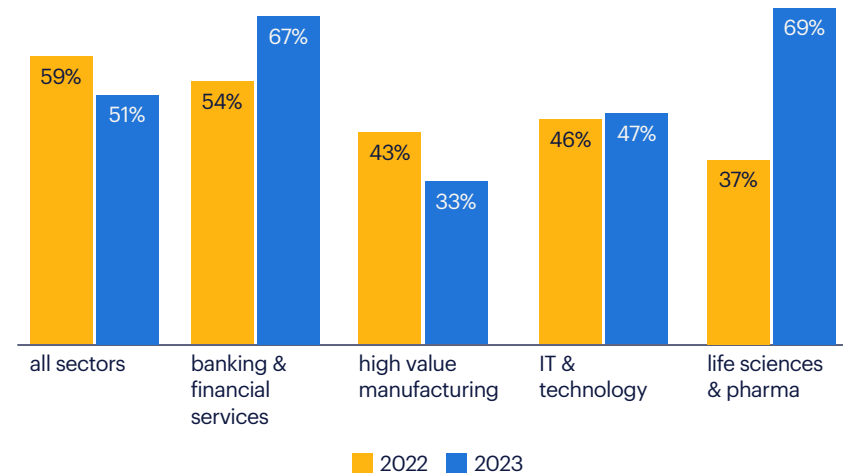


embracing digital transformation

Technology continues to accelerate at a pace that was once unimaginable. In the BFSI sector, the proliferation of digitalization is particularly critical, with technology's pervasive impact spanning dynamic global operations, cybersecurity, compliance, customer experiences and more. Today, multiyear efforts to digitize financial services are finally coming to fruition, according to the [Future Today Institute](#), and organizations are overwhelmed. In fact, 67% of BFSI employers agree that digital transformation is moving too fast, and they are not able to keep up with the shifts, up from 54% last year and 16 points higher than the global average across all sectors (51%).

As financial technology booms, digital transformation is one of the biggest pain points in the BFSI sector — and business leaders are anxious about staying competitive. Cybersecurity, too, requires vigilance, especially at financial institutions. Financial services companies are 300 times more likely to experience cyberattacks than other companies — [63% of financial institutions](#) experienced increased attacks in 2022. As cyberattacks grow in number and sophistication, so does demand for talent; one study suggests there are currently [3.5 million unfilled cybersecurity jobs](#). Not surprisingly, cybersecurity also ranks among the top 10 in-demand skills worldwide, according to Randstad Sourceright's [global in-demand skills research](#).

'digitalization is moving too fast and we're not keeping up with the shifts'



preparing for transitions

While large-scale layoffs at tech giants and other industry leaders have made headlines, the BFSI sector has faced cutbacks too. In an unusual market that blends low unemployment, persistent inflation and emerging challenges, reallocating talent resources is sometimes unavoidable.

In the BFSI sector, the tides are shifting toward an employer's market. Companies aren't cutting jobs to reduce headcount; they're cutting jobs so they can hire the best talent. Similarly, the sector is experiencing a hiring paradox as companies hire specialized talent to easily scale up and meet digital requirements. For instance, according to Bloomberg, banks and broker-dealers are planning to add headcount in electronic-trading roles, unlike other wall street businesses where workforces are being cut.

As talent leaders prepare for difficult transitions, managing right-sizing with compassion is a meaningful part of the talent experience. But cutbacks come with concerns about profitability in the BFSI sector. Twenty-eight percent (28%) of Talent Trends respondents in this sector say they're worried they'll fall behind competitors when it comes to profitability if they need to make cuts — the highest of all surveyed sectors and five points higher than the global average.

reframe your enterprise talent blueprint

The key for banking and financial services companies is to keep a focus on the talent experience and value creation across the entire enterprise talent life cycle. As talent leaders navigate new dynamics, what's the best way forward to elevate people and add value? How can the industry provide a talent experience that engages and encourages teams to reach their full potential — despite uncertainty all around? How will they navigate the complexities of the hiring paradox, and how will they build strong pipelines of talent with the skills they need?

Our 2023 Talent Trends research reveals four key trends to help banking and financial services employers elevate the enterprise talent life cycle; find ways to attract, retain and empower their people; and create a supercharged future of work.



banking & financial services top talent trends.

01

optimize technology investments to amp up value creation.

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02

create clarity and drive readiness with talent intelligence.

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elevate the talent experience to attract and keep the best people.

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build a coaching culture to increase skilling and engagement.

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what does financial services talent value most in an employer?

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01. optimize technology investments to amp up value creation.

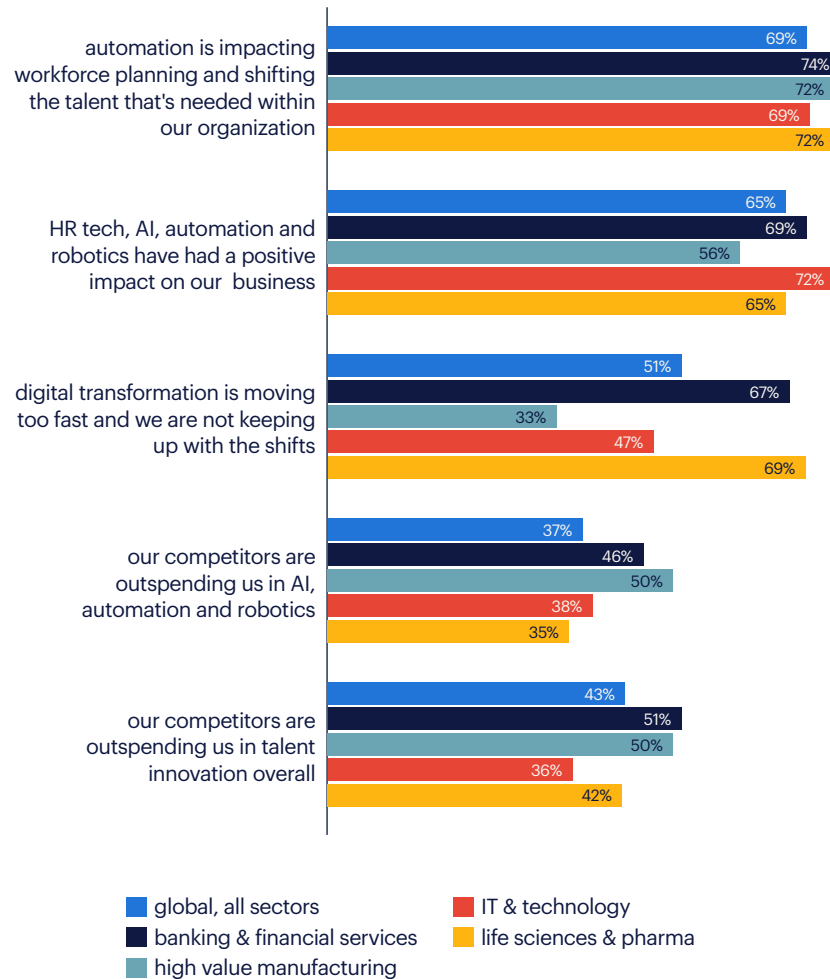


Technology investments are vital as AI, automation and robotics transform the business world.

This year, BFSI leaders outpaced all other sectors in optimizing technology investments, according to our 2023 [Talent Trends](#) research. Three-quarters (74%) believe increasing automation is impacting workforce planning and shifting the talent that's needed within their organizations to more highly skilled roles — six points more than the global average across all sectors (69%) and the highest of all surveyed sectors. Similarly, 69% indicate that HR tech, AI, automation and robotics have had a positive impact on their business.

But with booming technologies come concerns. Striving to keep pace, 67% of BFSI respondents believe digital transformation is moving too fast for them to keep up with the shifts — 13 points higher than last year and a substantial 16 points higher than the global findings across all sectors (51%) this year. Similarly, 46% are convinced their competitors are outspending them in AI, automation and robotics, compared to 37% globally. And 51% think they are being outspent in talent innovation overall — the highest of all surveyed sectors.

views on technology in the workplace



As digitalization accelerates, HR innovation is booming. With access to ever-expanding solutions, talent leaders are minimizing recruitment bias while driving improvements in the talent experience, business performance and organizational transparency. Other advantages are emerging as well. For example, as business leaders address concerns that virtual working is impeding productivity, many companies are seeking tools to amp up collaboration and innovation.

While AI investments are growing, integrating HR technology presents challenges. Many organizations lack internal expertise to properly implement this technology, resulting in costly delays and reduced productivity. In fact, it's estimated that 42% of tech projects fail after two years. Even as budgets tighten in an uncertain economy, digitalization shows no signs of slowing. That's why many companies are optimizing existing investments to create better user experiences, integrating disparate tool sets and focusing on the key goals to make a measurable impact without spending on new innovations.

With technology's reach impacting every aspect of BFSI organizations, concerns about staying digitally competitive are easy to understand. But the competition to identify and operationalize the right technologies is fierce, and talent is a critical driver in maximizing technology investments. According to Josh Bersin, creating an integrated digital banking service is more complex than it seems. Today's consumers seek an integrated digital experience, which requires reengineering highly customized systems, building new integrated data platforms and creating a compelling customer experience.

It's no wonder organizations in this sector are seeking to attract the most skilled talent — their success hinges on how well they tackle this task. But demand for hard-to-find technology skills is particularly fierce. In fact, tech skills — such as AI and machine learning, cloud computing, big data, business intelligence and data visualization, UI/UX, mobile app development and cybersecurity — dominate the 10 top in-demand skills.

To fill these roles, which will help them achieve the greatest value from their tech investments, employers must create an engaging talent experience that attracts and develops the best people while leveraging talent intelligence to make smarter decisions.

02. create clarity and drive readiness with talent intelligence.



In a data-driven world, talent intelligence is arguably the most important tool talent leaders have.

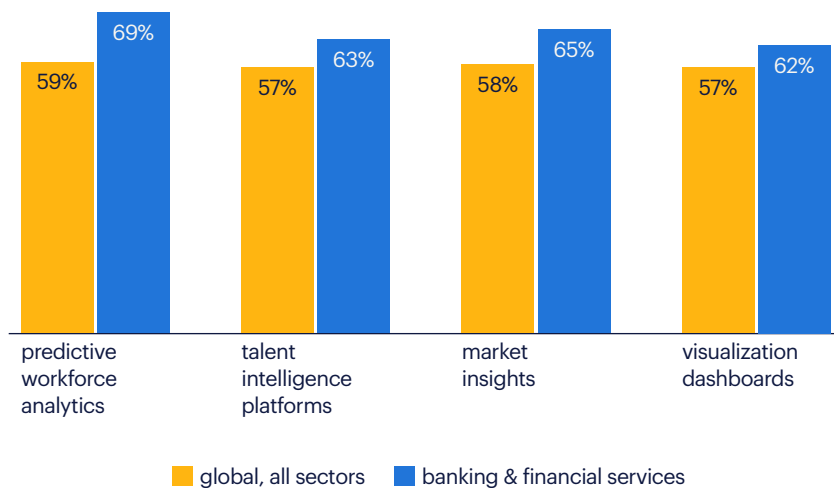
Along with their commitment to tech investments, BFSI leaders also surpass their peers in other sectors in their commitment to leveraging talent intelligence. Our 2023 [Talent Trends](#) research shows that 79% of BFSI employers are already investing in analytics technologies. Additional data shows 77% believe their talent strategy decisions are fully supported by analytics (compared to 72% globally), and 60% say they are investing more in predictive analytics and external market intelligence about talent, 10 points higher than the global average (50%).

By providing better visibility to make smarter talent decisions, talent intelligence helps organizations identify when to recruit, when to upskill, what to pay and so much more. Talent and market data can help companies better understand internal and external skills supply and the pace at which roles can be filled. Data can also help identify talent who are considering leaving and those who would benefit from skills development. But while many companies have built highly advanced data science teams, some are just getting started, according to [analytics consultant Hallie Bregman](#).

Additionally, in today's slowing economy, business leaders are looking for performance insights to support decisions on workforce rebalancing, internal mobility and reskilling. Beyond immediate needs, [talent intelligence](#) can help HR look for the signals that may precede recovery and growth. People analytics and talent intelligence — especially data that provides a view into future behaviors and outcomes — are delivering greater value to organizations that have mastered their utility.

In the BFSI sector, investment in predictive workforce analytics is strong; 69% say they're already investing in predictive workforce analytics — 10 points higher than the global average and the highest of all surveyed sectors. What's more, 63% are investing in talent intelligence platforms, compared to 57% of employers globally. Sixty-five percent (65%) are investing in market insights, compared to 58% globally; and 62% are investing in visualization dashboards, surpassing 57% globally.

investments in talent intelligence technologies



Talent intelligence platforms are also being used to elevate employee engagement. Our research indicates BFSI leaders are investing in career coaching technologies (67%), mobility-focused talent intelligence platforms (60%), training and development platforms (66%), and collaboration platforms (60%).

According to [Gartner](#), talent intelligence allows leaders to understand how they can best acquire important skills and can help them determine whether employees can be redeployed to higher-priority roles based on the [adjacency](#) of their skills. If externally acquiring is the best solution, market data from aggregators such as [Brightfield](#) or [Salary Board](#) can help accelerate time to fill.

In recent years, market intelligence has also helped many organizations [enhance DEI initiatives](#). Companies are striving to understand how they can achieve better DEI outcomes, which also improve business performance. Expanded metrics enable analysis of career advancement, retention rates, mentorship opportunities and training, and more for diverse employees.

Beyond DEI, there are countless uses for talent intelligence platforms, which are growing at scale. Powered by AI, the new generation of intelligence tools are helping companies gain clarity and improve decision-making more than ever before.

what does financial services talent value most in an employer?

Despite a slowdown in the global economy, the banking and financial services industry (BFSI) continues to be viewed as an attractive sector for job seekers. For instance, last year, [Goldman Sachs](#) reportedly processed a record number of intern applications and received 300 candidates for each of its open roles on average. Similarly, [JP Morgan Chase](#) and other large financial institutions attract a large number of applicants for a small number of roles.

What is so appealing about the sector? One obvious answer is compensation. Banker bonuses are notoriously outsized compared with those in other sectors. But what else matters to financial services professionals? According to Randstad's 2023 [Workmonitor](#) research, financial services talent say their employer's purpose and values, opportunities to learn and grow, and a good work-life balance more closely align with their expectations than workers from other major industries. This diverse set of needs offers insights into how banks and insurers can more effectively compete for talent beyond escalating salaries.

While 94% of BFSI talent say pay is an important consideration in their choice of an employer, other factors also play an important part in their decision-making. Remote and hybrid working is valued by 81%, while flexibility of hours is even more desired at 85%. Working in high-pressure roles, as is often the case for the sector, means employees value having time away. A large majority (85%) say having a sufficient number of annual leave days is important to them.



Although banks and insurers offer a strong employee value proposition (EVP) to attract talent, they continue to face long-term headwinds in their search for unique skills. According to the World Economic Forum's 2023 [Future of Jobs](#) report, 35% of financial services firms globally believe that talent scarcity will worsen by 2027, and 48% of insurance and pension management firms hold the same view. Even as financial services firms conduct layoffs, they're still pressed to attract top talent to meet their company goals.

This challenge is exacerbated by a number of factors, including the rapid digitalization of the sector, which is driving demand for experienced and skilled professionals with deep knowledge of fintech. The resulting skills gap is forcing many institutions to not only free up budget to offer greater incentives, but to also increase learning and development investments. At the same time, competition for talent has increased, with many organizations concerned about retention. In fact, according to Randstad's Workmonitor data, 53% of banking and financial services professionals say they are confident they would quickly find another job if they were to lose theirs — a figure higher than the 50% for all sectors.

So how can institutions attract and retain the talent they need to meet the needs of a rapidly evolving business, one in which technology is transforming how business is being conducted? Consider the following three actions you can take, based on our Workmonitor research data.



1. Strike a better work-life balance.

Nearly two-thirds (64%) of BFSI talent say they won't accept a job if it negatively affects this balance. Since the start of the pandemic, banks and insurers have adopted their way of working to remote and flexible schedules, but many are now pressuring employees to return to offices.

Others see a continuation of remote policies as a way to keep staff happy and engaged. Companies will need to carefully monitor feedback from candidates and employees on flexibility and work-life balance expectations. As the global economic outlook begins to improve, successfully winning desirable talent may hinge on remote work policies and healthy work schedules.

2. Emphasize meaningful work.

A majority (59%) of BFSI talent say their job provides a sense of purpose to their lives, which is slightly higher than the global average (57%). BFSI companies should consider how to better promote the positive societal impact of their work on activities such as environmental, social and corporate governance (ESG) contributions. Not only is this good for attracting talent but also for business outcomes.

3. Drive transformation through DEI commitments.

In recent years, banks and other institutions have stepped up efforts to nurture more inclusive workforces, instill a greater sense of belonging and open more doors to management positions. This is an important consideration for talent. Half of those in BFSI surveyed by Randstad say they won't accept a job from an organization that isn't making a proactive effort to improve diversity and equity. Set clear goals and plans to support your diverse workforce organization-wide, especially at the highest levels.

With more transformational changes expected in the banking and financial services industry over the next several years, the demand for specialized skills will remain. Attracting and retaining this talent will require companies to offer more than just a compelling compensation package to be regarded as an employer of choice.

The path to client and talent centricity is at a point of no return. Companies who treat their people with the same inclusivity, passion and attention as their clients will survive the next 20 years. The rest are not too big to fail.



Francesca Campalani

global head of Talent Marketing
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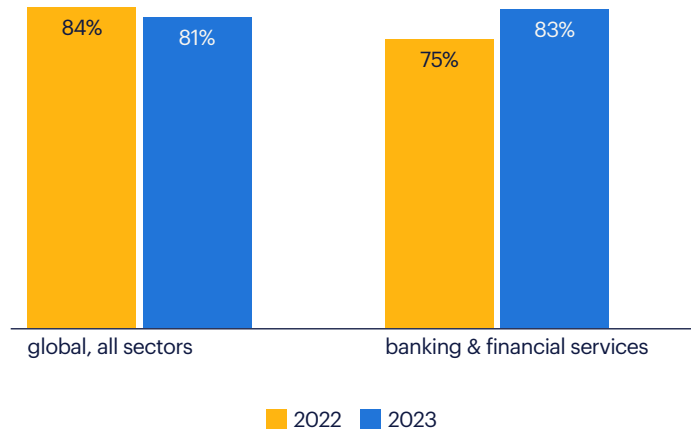
03. elevate the talent experience to attract and keep the best people.



Our 2023 [Talent Trends](#) research shows a vast majority (83%) are more focused on the talent experience than ever before as they strive to manage accelerated digitalization and remain competitive in the global marketplace. Elevating the talent experience to attract, engage and retain the best people is especially vital in the post-pandemic job landscape. Even as the sector shifts to an employer's market, today's talent has expectations that must be met. This shift is part of a [new social contract](#) between people and their employers that emerged when the pandemic transformed the global workforce.

Despite economic uncertainty, nearly all (97%) talent leaders in this sector say they will either maintain or increase spending on employer brand building. The top-cited reasons? To attract talent with specific skill sets and to edge the competition when it comes to talent attraction. They're also investing in employer branding across all talent categories: permanent (81%), temporary (65%), freelancers and independent contractors (74%), and payroll employees (84%).

'we are more focused on the talent experience than ever before'



To compete for talent, employers are focusing on providing a meaningful, mission-driven work experience throughout the total talent life cycle. This means taking care of employees at every touch point, from the application process through interviewing, onboarding, mobility, transitions and layoffs, and retirement.

To achieve this, our research shows that BFSI talent leaders are investing in technology to improve engagement (77%), internal audits to map the candidate's experience from job search to hire (72%), and creating talent communities to engage and nurture future talent (77%).

They're also keeping their focus on diversity, equity and inclusion. In fact, 83% say that DEI is integral to everything they do, the highest of all surveyed sectors. Additionally, 79% believe DEI is a key differentiator when attracting top talent, and 76% are investing in DEI to enhance the talent acquisition process.

Sustainability is another critical driver of the employee experience, and an organization's environmental, social and governance (ESG) initiatives can have a broad influence on candidates, employees and the broader public. In fact, socially responsible approaches can make or break a person's decision about where to work and who to do business with. Aligning with these values, 74% of BFSI leaders say demonstrating sustainable and ethical practices is instrumental in attracting Generation Z talent, the highest among surveyed sectors.

And as job security fears arise, conducting layoffs with care will become increasingly important for this sector. When talent knows they will be treated with respect, even as they transition to new roles, they will in turn respect your brand. How layoffs are managed not only influences the opinions and decisions of those let go, but the people the organization hopes to hire, as well as the productivity levels of those who remain in the workforce.

Creating a positive people experience is central to the HR function in nurturing innovation, increasing retention and fostering loyalty. Highlighting meaning and purpose at work has been a growing priority across all sectors. In fact, according to McKinsey, neglecting this important aspect of people management can result in dire consequences, including losing top talent. As organizational and people needs ebb and flow, keep a focus on long-term change across the entire enterprise talent life cycle.

04. build a coaching culture to increase skilling and engagement.

A pillar of the people experience is an organization's ability to skill and coach employees not just for the job they're in, but for the next roles they'll have over the course of their careers. After all, coaching and talent mobility go hand-in-hand. In its dedication to creating long-term value, the BFSI sector stands out once again in its dedication to coaching, skilling and L&D.

The sector is bolstering its workforce with sustainable, long-term solutions. According to our 2023 [Talent Trends](#) research, BFSI employers outscore all other sectors across multiple coaching and reskilling trends:

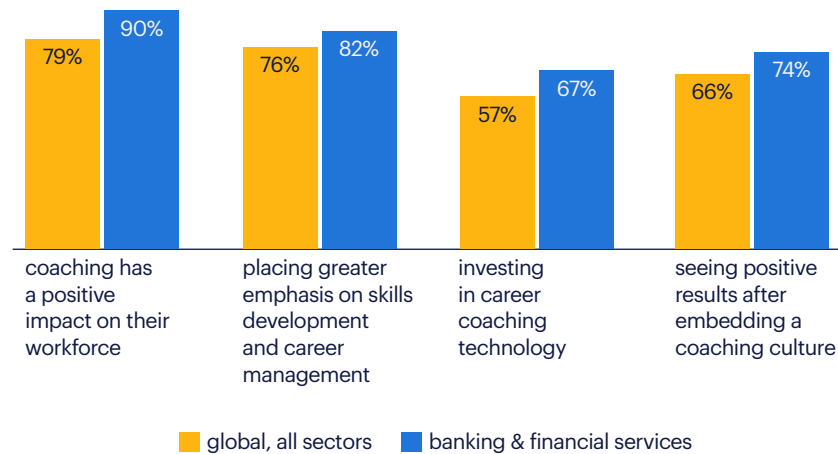
90% say coaching has a positive impact on their workforce, 11 points higher than the global average (79%).

82% are placing greater emphasis on employee skill development and career engagement, surpassing 76% globally.

67% report investing in career coaching technology, 10 points higher than the global average (57%).

74% report a positive or transformative experience from embedding a [coaching culture](#), eight points higher than the global average (66%).

coaching and skilling trends



Clearly, the sector has embraced the pivotal role of coaching and development in the future of work, especially as skills gaps grow. Ultimately, lifelong skill-building is foundational to driving internal mobility, overcoming talent scarcity and unlocking workforce potential. And while some employers are seeking to offload talent to free budget for professionals with greater skills, they should also consider how coaching and skilling can help them get those skills internally — without the recruitment costs, longer time to fill and potential damage to their brands.

In any economy, global demand for new skills will continue to grow as people adapt to relentless transformation and digitalization. Since 2015, job skill sets have changed by around 25% and are expected to change 41% by 2025, according to [LinkedIn](#). The same report also found that the top three skills — IT, project management and engineering — have changed 70% since 2015. An [OECD](#) report found that U.S. demand for advanced data analysis skills grew 15 times faster between 2012 and 2021 than for average skills.

The competition for high-demand skills is still fierce, and the skills employers need will continue to evolve, but you can create an agile workforce by training and empowering your people. In today's market, reskilling and upskilling are critical when it comes to keeping up with shifting skill demands.

To meet this goal, the sector is expanding its investments and broadening technology solutions. Two-thirds (66%) are investing in training and development platforms, and 77% are creating specific talent communities to engage and nurture future talent. Most (60%) are spending on internal talent mobility platforms, compared to 56% globally. As they invest in the technologies that facilitate employee growth, BFSI employers will also need to embrace a culture that encourages learning across the organization.

Ultimately, coaching, skilling and development create tremendous efficiencies that help businesses fill needed roles rather than acquiring skills. The benefits are massive. While companies elevate their workforce, they also overcome talent scarcity, improve the employee experience, bolster their employer brand, build a loyal workforce and avoid potential layoffs — all of which can have dramatic benefits for organizations and their people alike. Skilling and internal mobility can also significantly reduce onboarding length, especially when it can take new hires up to 12 months to reach peak performance, according to [Gallup](#).

Only by providing learning opportunities throughout the talent life cycle can companies achieve the agility they need to compete in today's dynamic landscape. Ultimately, an exceptional talent experience that empowers people to adapt and excel in shifting market conditions should be a rapidly growing part of every company's enterprise talent blueprint.

build a sustainable and supercharged future of work.

Today, BFSI leaders are determined to maximize value, elevate business performance and increase workforce agility with their talent strategies. To create enterprise-wide value, they are embracing sustainable, long-term solutions.

Given the constant pressure on BFSI leaders to add value and prepare for any contingency, how they leverage their existing people and technology resources becomes pivotal to their success. By nurturing employees throughout the total talent life cycle — from attraction to transition — and using data to make faster decisions, BFSI leaders can achieve the agility to adapt, scale and upskill their workforces as business demands change. With the right talent solutions, BFSI leaders can build a resilient, sustainable and supercharged future of work that allows their organizations to thrive.

Explore the full findings of the 2022 Talent Trends research across all sectors.
[> get the report](#)

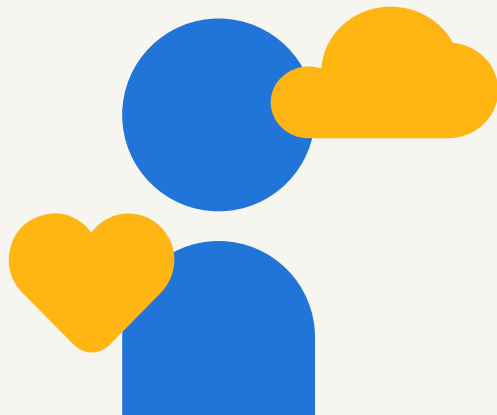
Dive into the latest in-demand skills research to understand skills availability.
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about the 2023 talent trends research.

Now in its eighth year, Randstad Enterprise's [Talent Trends](#) research has provided insights that human capital leaders need to drive business agility and results with their talent strategies. The 2023 Talent Trends research is a survey of 906 C-suite and human capital leaders at global and regional organizations, across 18 markets worldwide. It is designed to help our clients and the broader business community understand the top HR and talent acquisition trends for 2023, and this year, to help employers look beyond the challenges of today's environment to create a strong, sustainable and supercharged future of work.

Conducted by a third party on behalf of Randstad Enterprise, survey panels are composed of business leaders who influence both strategic and operational decisions for their organizations. Online surveys were conducted via external panels during Q4 of 2022. Interviews were self-administered and could be taken across devices (including mobile phones, tablets, desktops and laptops).



who participated

- 68% — human resources and talent acquisition
- 24% — procurement
- 8% — other senior leadership roles, including the C-suite

key industries

- 17% — banking and financial services
- 17% — IT and technology
- 12% — life sciences and pharma
- 4% — high-value manufacturing

Each industry listed here represents a sample size of 30 or more respondents.

company size

- 27% — 1,500 - 2,999 employees
- 39% — 3,000 - 4,999 employees
- 34% — 5,000+ employees

18 markets

Americas

- Brazil
- Canada
- Mexico
- U.S.

Asia Pacific

- Australia
- China
- India
- Japan
- Singapore

Europe

- Belgium
- France
- Germany
- Italy
- Netherlands

Nordics

- Poland
- Switzerland
- U.K.

about Randstad Enterprise.

Randstad Enterprise is the leading global talent solutions provider, enabling companies to drive business agility by putting people at the center of their business strategies. As part of Randstad N.V. — the world's largest HR services provider and driven to become the world's most valued “worklife partner” with revenue of € 27.6 billion — we combine unmatched talent insights and innovative technologies with global delivery capabilities.

We are uniquely positioned to support the world's leading enterprises with the inflow, crossflow and outflow of all talent — whether full-time, part-time, temp, freelance or gig. We believe that driving these intentional and inclusive talent-centric strategies will create sustainable business value and support people to unleash their worklife possibilities.

Randstad Enterprise's subject matter experts, thought leaders and delivery professionals continuously build and evolve our integrated talent solutions — talent acquisition, talent management, talent transition — to solve critical talent challenges and enable organizations to deliver on the power of talent marketing, talent intelligence, talent mobility, talent technology optimization, and diversity, equity and inclusion.

For more information, visit randstadenterprise.com.

Learn more about Randstad Sourceright at randstadsourceright.com.

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