



# Leading the social enterprise: Reinvent with a human focus

## 2019 Deloitte Global Human Capital Trends A Financial Services Perspective

### 2019's 10 human capital trends

This year's human capital trends were selected based on findings from Deloitte's [2019 Global Human Capital Trends](#) survey, which had nearly 10,000 respondents across 119 countries. The 10 individual trends align to the theme of *leading the social enterprise with a human focus*, and are categorized in three actionable categories:

**The Future of the Workforce:** How organizations should adapt to the forces restructuring job and work design, the open talent economy, and leadership.

**The Future of the Organization:** How teams, networks, and new approaches to rewards are driving business performance.

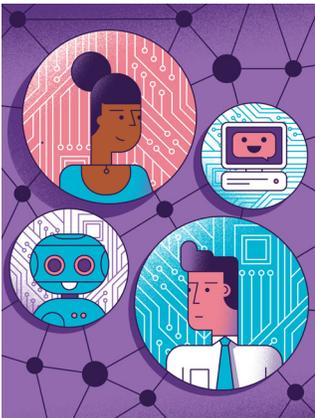
**The Future of HR:** how the HR function is stepping up to the challenge of redesigning its capabilities, technologies, and focus to lead transformation within the HR function as well as across the enterprise.

The Financial Services industry is facing pressure from increased oversight, merger and acquisition activity and the digitization of the consumer experience. These industry trends are causing many companies to examine their internal talent, organization structures and drive new ways to deliver business solutions.

# Trends by Categories

## Three Categories

## 2019 Global Human Capital Trends



### The Future of the Workforce



**The alternative workforce:**  
It's now mainstream



**From jobs to superjobs:**  
Creating new roles



**Leadership for the 21st century:**  
The interaction of the traditional and the new



### The Future of the Organization



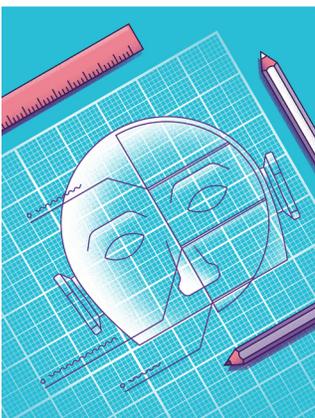
**From employee experience to human experience:**  
Putting meaning back into work



**Organizational performance:**  
It's a team sport



**Rewards:**  
Closing the gap



### The Future of HR



**Accessing talent:**  
It's more than acquisition



**Learning in the flow of life:**  
Lifelong models



**Talent mobility:**  
Winning the war on the home front



**HR cloud:**  
A launchpad, not a destination

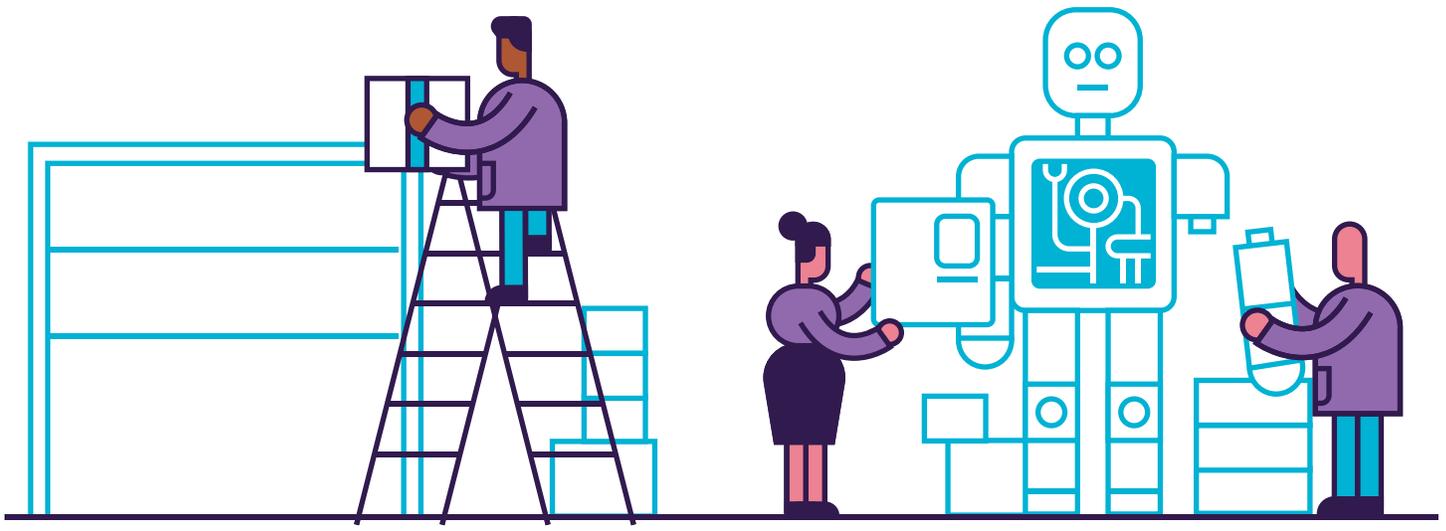
# Executive summary

The top human capital issues facing the Financial Services Industry (FSI) are arising in a whole new context: the social enterprise. In last year's Global Human Capital Trends report, we described the rise of the social enterprise—organizations whose mission combines revenue growth and profit-making with the need to respect and support its environment and stakeholder network. This year, we believe the pressures that have driven the rise of the social enterprise have become even more acute. These trends focus organizations on moving beyond mission statements and philanthropy to learning how to lead the social enterprise—and reinvent themselves around a human focus.

While many FSI leaders have recognized the issue, most haven't solved for it. That's because leading a social enterprise is not the equivalent of practicing corporate social responsibility. Additionally, is it not about engaging in social impact programs or defining a purpose or mission statement—though each is very important in its own right. Leading a social enterprise is about understanding, and thoughtfully acting on, generating profit and delivering strong returns to shareholders, and doing so while paying attention to and improving the experiences of workers, customers, and the communities in which we live.

Half of FSI survey respondents believe that the social enterprise is more important to their organization today compared to 3 years ago.

Further, trust in leadership and talent are key to achieving expectations around corporate social responsibility. In the world today with the societal challenges that exist, fulfilling the goals of social responsibility requires reinvention on a broad scale. Tinkering on the edges will not solve the issue; to be able to succeed a holistic view of the work and the workforce is required.



This paper provides a FSI-specific perspective on the [2019 Global Human Capital Trends](#) report. Four of the ten trends presented resonated the loudest with the FSI respondents.

**Learning:** The highest-priority trend is weaving learning into every facet of employees' lives, both at work and at home;

**Employee Experience and Engagement:** Another high-priority trend includes enhancing employee experience and engagement to drive increased productivity and provide FSI employees with more flexibility and control over their work;

**Leadership:** Accelerating the development of leaders who are ready to meet the future challenges of business through critical new competencies—including leading through change, embracing ambiguity and uncertainty, and understanding digital, cognitive, and AI-driven technologies; and

**Talent Mobility:** Improving overall internal talent mobility. In today's tough talent market, companies that leverage internal talent mobility can fill open positions faster with candidates who are already successful in the culture.

Further, FSI leaders should consider how disruptions like automation and new talent models are changing the composition and expectations of the workforce to better serve clients with evolving needs and more access to information and advice than ever before.

We recognize that reinvention can be a daunting prospect, especially when our survey shows that many organizations are not ready to address the changes these 10 trends describe. That is why we have focused not only on the why and the what, but also the how. Depending on your

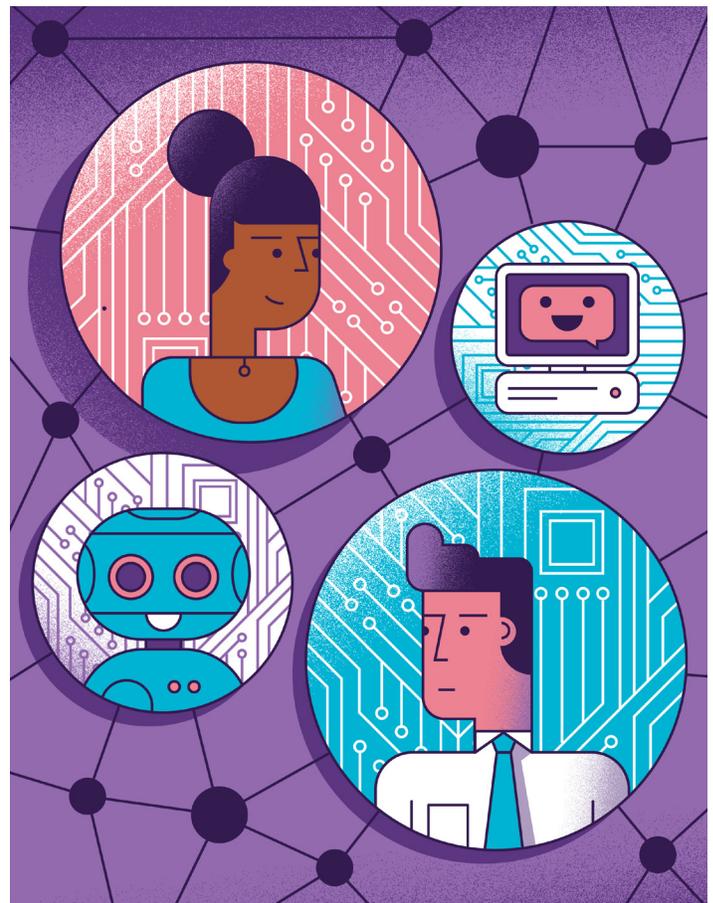
organization's readiness and need to change, reinvention can happen in one of three ways. You can:

**Refresh:** Update and improve the way things happen now;

**Rewire:** Create new connections that change the strategic direction; or

**Recode:** Start over and design from scratch.

Whatever way you choose, there are **two aspects of the reinvention that remain constant:** (1) **it must involve technology in some way—there is no path to effective reinvention without it;** and (2) **it must be a bold enough change to meet the challenges that the social enterprise presents.**



# Top human capital trends in the Financial Services Industry

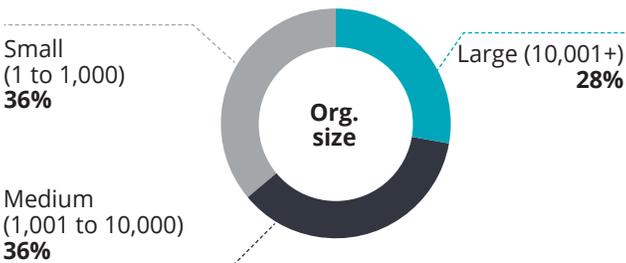
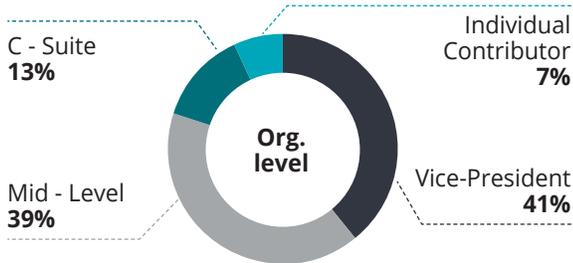
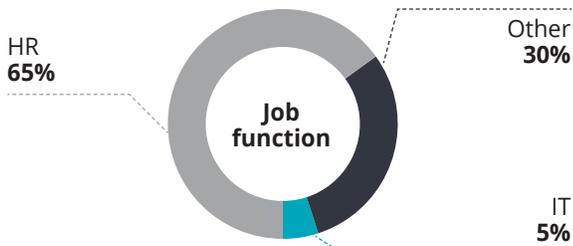
The global longitudinal Human Capital survey included 1,281 FSI respondents across ~100 countries.

## Industry Sectors

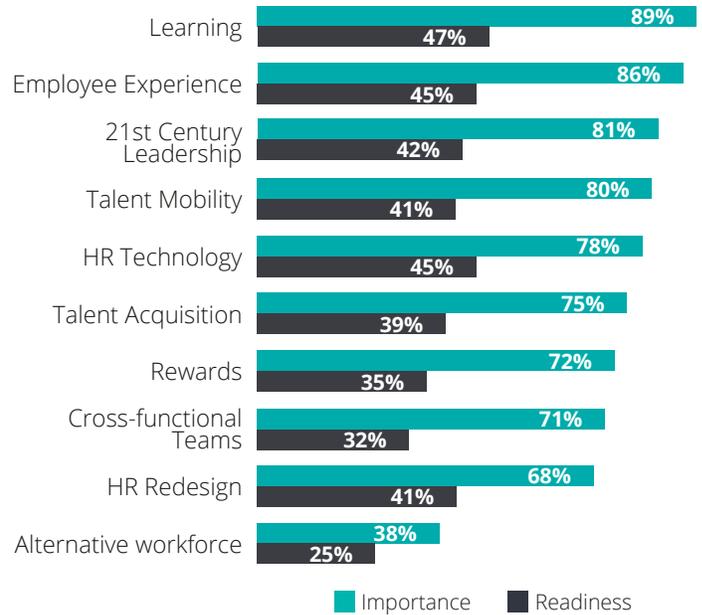


## Human Capital Trends Survey

Profile of FSI Respondents



## Top 10 Human Capital Trends: The perspective of FSI



FSI survey participants identified four 2019 trends that are of utmost importance to their organization. Each of the 4 trends identified by FSI respondents align to the 3 macro categories identified upfront - The Future of HR, The Future of the Organization, and The Future of the Workforce.

### The Future of the Workforce

Leadership for the 21st century: The intersection of the traditional and the new

### The Future of the Organization

From Employee Experience to Human Experience: Putting meaning back into work

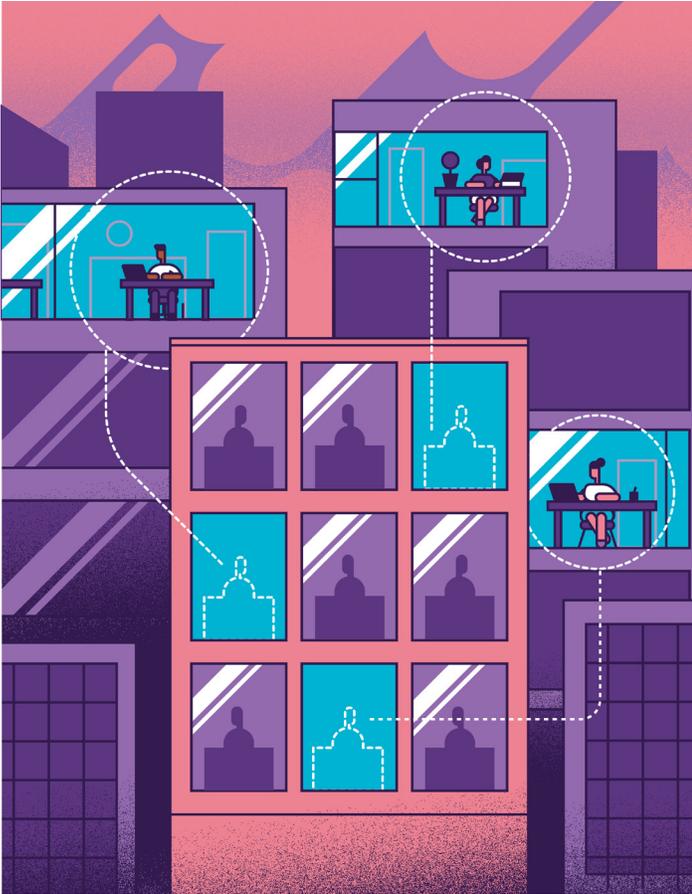
### The Future of HR

Learning in the Flow of Life: Lifelong Models  
Talent Mobility: Winning the war on the home front

Digital technology is the common denominator in all these trends. In the same way we have seen technology reinvent the ways of working throughout our lifetime from the printing press to the computer to the phone to the tablet and ultimately to AI and cognitive, its disruptive nature continues to propel organizations forward in their efforts to better understand, transform, and strengthen their core to support future growth, drive business outcomes, and enable a differentiated Human Experience that enhances their talent brand in the marketplace.

# The Future of the Workforce

## Leadership for the 21st century: The intersection of the traditional and the new



New technology is the driving force changing leadership requirements, according to 79% of FSI survey respondents.

### ***The “What” and the “Why”***

Over three-quarters of FSI survey respondents said that 21st century leaders face unique and new demands. Specifically, they must take a nuanced approach to pursuing traditional business goals and draw on critical new competencies, including leading through change, embracing ambiguity and uncertainty, handling national and cultural differences, and understanding digital, cognitive, and AI-driven technologies.

Developing 21st-century FSI leaders isn't solely about creating an executive pipeline; it's also about providing employees at all levels with the tools and training they need to lead in the positions they hold today, while preparing them to succeed in tomorrow's opportunities. New ways of working, already far removed from the traditional norms, will continue to progress. Organizations are beginning to measure the value of talent in new ways. Putting different performance measures in place for leaders can go a long way towards establishing a culture that supports competencies such as the ability to manage uncertainty and lead through change. Those that bring together technology and leadership to form an innovative talent strategy can transform themselves and create the conditions to sustain heightened performance over the long term.

The Financial Services workplace of the future overcomes legacy issues such as aging core banking systems, growing webs of regulation, and margin pressure. At the same time, it capitalizes on new technology and new employment models to better serve clients with evolving needs and more access to information and advice than ever before.

### ***The “How”***

- Identify a core set of skills and attributes that FSI leaders will need to flourish in a rapidly changing, technology-enabled workplace.
- Provide curated and differentiated learning and on-the-job experiences by level, team, and function to develop specialized leadership capabilities.
- Look to FSI peer companies and other industries for innovative learning strategies, programs and tools.

# The Future of the Organization

## A more human employee experience: Putting meaning back into work

### **The “What” and the “Why”**

Improving what is often called the “employee experience”—building on an understanding of workers’ aspirations to connect work back to the impact it has on the organization and society as a whole—was rated as important by 86% of FSI survey respondents. However, only 45% acknowledged their organization’s readiness to understand and apply the concept of elevating the employee experience in this way.

**Employee Experience** is a bottom-up concept—where process, place, and workflow are designed around employees’ preexisting tendencies.

**Human Experience** builds upon the foundation of the employee experience, but extends beyond work processes to focus on the meaning of the work itself, thereby targeting the most personal question that can exist in the workplace: Am I making a difference?

The force behind changing the work experience in financial services actually exemplifies 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, they are augmenting human capability. By implementing intelligent technology, businesses create capacity for HR to focus on the more strategic, emotional and value-adding work.

How can companies not only ease the transition to a new way of working, but gain new value from it? They bridge the human and technology worlds. In addition to building tools, organizations need to develop new human skills the tools will complement. Instead of relying on technology to speed up existing tasks, it’s time to identify new roles that will enable the technology to generate differentiated value.

We’re already seeing this change in action. A major financial institution found that mindsets and technology had to move together. 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.

Companies must think about this Fourth Industrial Revolution from the lens of creating a Human Experience, designed with human values in mind and enabled by programs, technologies, and interactions that create meaning and connection across all stakeholders, customers, the workforce, and partners. This is the new focal point for organizations. Now more than ever, it’s critical for businesses to understand how to create meaningful experiences that connect the work back to the impact it has on workers, users, and customers in achieving their aspirations.

### **The “How”**

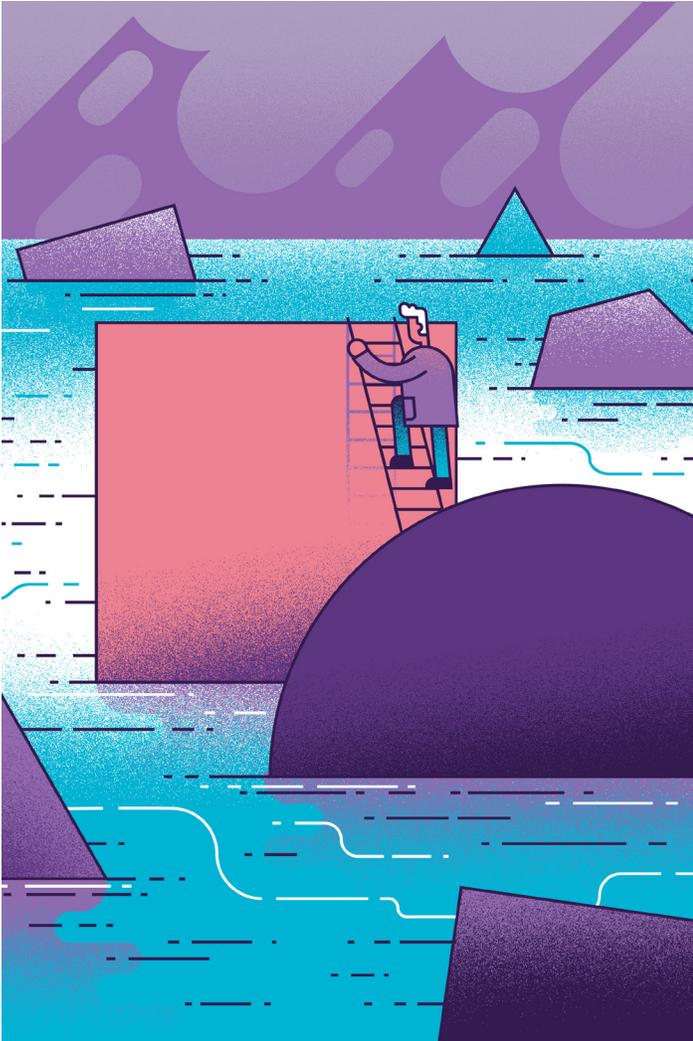
- Develop a roadmap to refresh and expand the concept of “employee experience” to address the “human experience” at work.
- Support efforts to reimagine, refresh, and rebrand the organization’s purpose to deliver innovative solutions that can produce a meaningful and sustainable impact on employees, customers, industry, and society.
- Understand the potential impact of automation on jobs and how those changes impact culture and employee satisfaction.
- Remove people, process, and technology obstacles so workers can perform their jobs effectively.

Half of FSI survey respondents agreed that employee engagement and employee productivity are correlated. When asked who should drive employee engagement within their organization, 66% cited HR and business leadership.



# The Future of HR

## Learning in the Flow of Life: Lifelong Models



Survey results indicate that FSI companies need to strengthen their learning culture: only 10% said their learning function can quickly identify and meet evolving workforce needs and 11% said their company had an excellent learning culture.

### *The “What” and the “Why”*

Learning is becoming more integrated with work, more personal, and is shifting—slowly—toward lifelong models. However, many FSI organizations are behind in their efforts to understand and accommodate evolving learning needs and opportunities. 89% of survey respondents ranked this trend highest in importance despite only 47% indicating organizational readiness.

What’s usually missing is an end-to-end digital roadmap to help align learning across the enterprise. New platforms and tools that facilitate experiential learning can help FSI organizations encourage learning in the flow of life.

Contextual learning and artificial intelligence have the potential to dramatically transform how the workforce learns.

HR technology can now use AI to proactively recommend the right learning at the right time, while a digital assistant provides on-demand access to learning content as the need arises. The digital assistant can be especially helpful when dealing with change management—giving employees a simple way to access training and complete new tasks.

Businesses can also embed learning into the context of their processes; for example, newly appointed managers can have access to training videos to hone their managerial acumen. These new approaches help make learning more personal and relevant—offering tremendous value to an organization’s talent strategy.

Specifically for HR, operating models have evolved over decades with a goal of increasing business value and impact. The function has advanced from necessary administrator to a supporting function with a seat at the table, to business partner, and—in some cases—to trusted adviser. Yet, the future demands something different from enterprises—and their HR teams—with great urgency.

HR must closely examine and reimagine its work by clearly understanding it, and consider augmenting with technology and alternative talent models, creating new channels, and driving measurable outcomes for every role. Exponential HR teams will help their enterprises look at work in new ways and beyond traditional operating model boxes. Perks, rewards, and professional development opportunities will be given new meaning, and environments focused on role fit and capability growth will be created. In addition, these incentives will give workers across the enterprise a chance to reflect on the most personal question that can exist in the workplace: “Am I making a difference?”

### **The “How”**

- Establish a learning culture that motivates people to take advantage of learning opportunities, and a focus on helping individuals identify and develop new, needed skills.
- Align core learning and leadership development to business strategy.
- Develop programs to capture and share valuable knowledge accumulated by long-tenured employees before they leave the workforce.
- Put employees in charge by providing access to learning programs both inside and outside the workplace, and allowing them to choose the time, location, platform, and pace of learning.

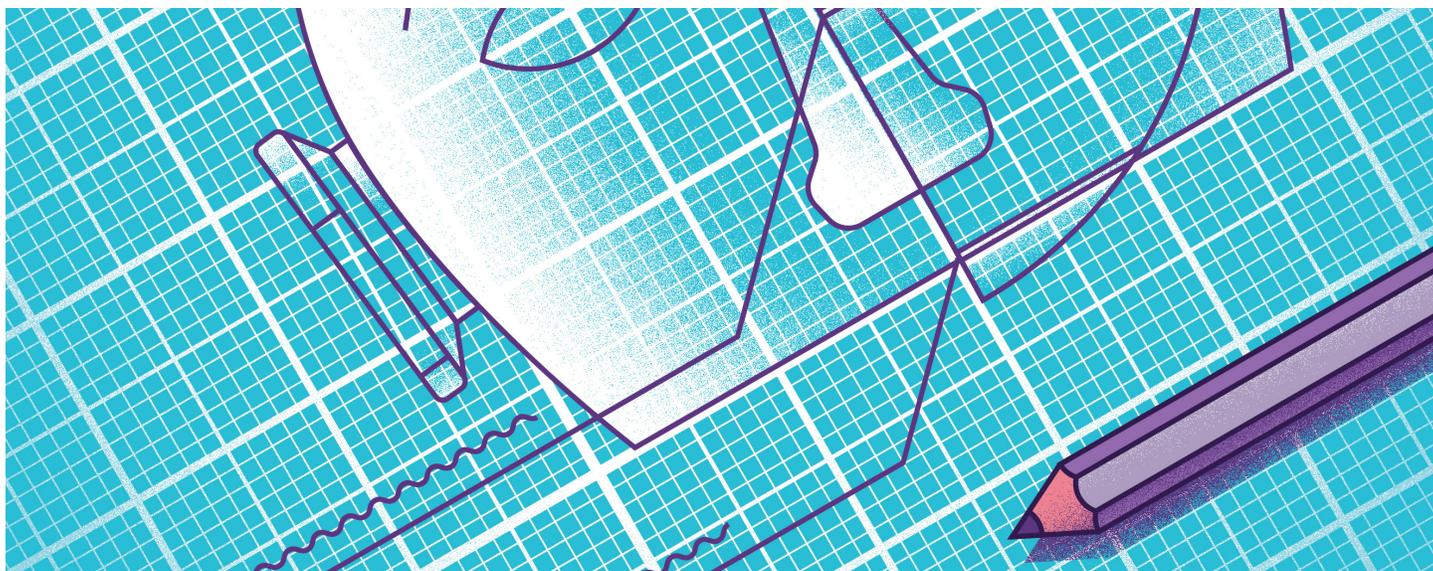
### **Financial services giant adapts with teams**

Recognizing the need to shift HR to become more customer-centric, flexible, and fast, a mega-financial services company moved to an Adaptable Organization model and began by forming a series of networked teams.

The first type of team created was a “squad”: A self-managing, autonomous unit with end-to-end responsibility for designing, delivering, and optimizing a specific customer-focused outcome aligned to agreed-upon objectives.

When more than one squad was involved in a grouping of related efforts, a “tribe” was formed. Objectives, planned outcomes, priorities, and efforts were well coordinated among squads and within the tribe.

Finally, “chapters” of subject matter experts that were not fully immersed in the day-to-day initiatives were created. These chapters contained a small circle of professionals with specially-needed skills that worked across boundaries by helping squads and tribes. Through this formation, chapters were able to provide economies of scale without sacrificing autonomy of the squads.



# The Future of HR

## Talent Mobility: Winning the war on the home front

### ***The “What” and the “Why”***

Many companies are challenged to identify what their future staffing needs will be—especially since technology advances can reduce the shelf life of certain skill sets to a mere 2.5 years (or less).

As it is likely to become increasingly difficult for FSI organizations to source and hire enough people with all the capabilities they may require, they must develop people internally to be able to thrive. Encouraging talent mobility—moving from one area to another versus moving up through the ranks in one area—can provide a cost-effective solution to future staffing challenges.

To encourage organization uptake, talent mobility should be positioned as a natural, normal progression rather than a major change in one’s career; opportunities to move should be extended to workers at all levels, not just managers and team leaders; and technology should enable a streamlined mobility process for moves between functions, jobs, and projects—as well as geographies.

### ***The “How”***

- Eliminate common barriers to talent mobility: lack of consistent processes for moving employees within the organization; lack of internal employees to fill roles; lack of willingness of current leader to move employees.
- Create developmental or transitional jobs in the job catalogue, and budget for these roles at the team level.
- Reward leaders for being talent exporters; encourage departments to share information on current talent needs and opportunities.
- Develop technology-enabled tools to help managers identify what capabilities their employees have and provide employees visibility into mobility opportunities (e.g. a gaming app for employees to find projects outside their scope of work).

### **Global insurance company eliminates barriers to talent mobility**

At a global insurance leader, encouraging internal talent movement stems from a firm belief that learning through experience is extremely powerful. The organization is creating a global culture that emphasizes corporate goals, shared values, and diverse talent to drive innovation and deliver outstanding customer service.

Recognizing that hiring people with critical skills is highly competitive and that workers who want to reinvent themselves don’t necessarily want to leave their current employer, the organization has made substantial investments in internal mobility. This includes:

- Standardizing their job architecture globally to provide expanded career paths
- Leveraging a global HCM Cloud platform to provide visibility and utility of global talent data to leaders
- Delivering a consistent employee and manager experience through standardized and extended services

Companies like this have caught on to what is becoming more and more self-evident: Internal mobility is a necessity in today’s digitally powered, highly competitive global economy.

Although 80% of FSI respondents said that Talent Mobility is an important human capital trend, just 41% acknowledged their organization’s readiness to address the issue.



# Conclusion

FSI organizations that want to win need to focus on an intentional transition to the future—The Future of HR, The Future of the Organization, and The Future of the Workforce.

At the outset of this paper, we identified three key market pressures facing FSI organizations: increased oversight, merger & acquisition activity, and digitization of the consumer experience—and we highlighted that these pressures operate in the context of an increased focus on the Social Enterprise. In addition, Deloitte's 2019 Global Human Capital Trends report identified four trends which were of significant importance to FSI organizations: 1) Learning, 2) Employee Experience, 3) Leadership, and 4) Talent Mobility. Each of these can be addressed separately, however, by looking at these areas as inter-related components of a larger strategy for transition can provide more value. For instance, developing leaders for the 21st century can have a dramatic effect on attitudes and practices

relating to talent mobility. Alternatively, creating more differentiated learning opportunities can drive a better employee experience and an increase in engagement. Taking it another step further, better leaders who drive a learning culture AND reduce the barriers to talent mobility will likely see a significant impact on the employee experience. What's the outcome? A workforce that is motivated to provide superior services and products to your customers.

As FSI leaders, effectively addressing the market pressures and the opportunities identified in the Global Human Capital Trends survey will require a series of coordinated efforts with and through your HR organization. Improving the learning capabilities within your organization, amplifying the employee experience to be consumer grade, developing leaders for the 21st century, and creating more opportunities for employees to move more easily within your organization will be critical to winning in 2020 and beyond.

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## Authors

### **Chetan Jain**

Principal, Deloitte Consulting LLP  
[cjain@deloitte.com](mailto:cjain@deloitte.com)

### **Matt Kraus**

Managing Director, Deloitte Consulting LLP  
[matkraus@deloitte.com](mailto:matkraus@deloitte.com)

### **Walt Sokoll**

Principal, Deloitte Consulting LLP  
[wsokoll@deloitte.com](mailto:wsokoll@deloitte.com)

### **Lori Pierson**

VP HCM Transformation Oracle Corporation  
[lori.pierson@oracle.com](mailto:lori.pierson@oracle.com)

## Contributors

### **Anurag Dhingra**

Senior Manager, Deloitte Consulting LLP  
[anudhingra@deloitte.com](mailto:anudhingra@deloitte.com)

### **Scott Bolman**

Senior Manager, Deloitte Consulting LLP  
[sbolman@deloitte.com](mailto:sbolman@deloitte.com)

### **Roni Grant**

Senior Consultant, Deloitte Consulting LLP  
[rogrant@deloitte.com](mailto:rogrant@deloitte.com)

# Contacts

## **Christine Forti**

Senior Manager, Deloitte Consulting LLP  
[chrisforti@deloitte.com](mailto:chrisforti@deloitte.com)

## **Matt Sentena**

GVP, HCM Financial Services Oracle Corporation  
[matt.sentena@oracle.com](mailto:matt.sentena@oracle.com)

# ORACLE

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Part of Oracle Cloud Applications, Oracle Human Capital Management (HCM) Cloud enables HR professionals to simplify the complex in order to meet the increasing expectations of an ever-changing workforce and business environment. By providing a complete and powerful platform that spans the entire employee life cycle, Oracle HCM Cloud helps HR professionals advance their careers, improve business outcomes and make work more enjoyable, smarter and supportive.

# Deloitte.

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