



2025 Global Human Capital Trends

Financial Services Industry Report

August 2025



FOREWORD

As the world of work continues to transform, financial services organizations are entering an exciting new era filled with both opportunity and complexity. Advances in technology and artificial intelligence are unlocking unprecedented potential in financial services organizations – and with that potential comes a growing need to reimagine how organizations can enable human performance as work becomes more ambiguous and less confined by traditional boundaries. While external pressures and internal dynamics present new challenges, they also open the door to innovative solutions and fresh perspectives.

In 2025, these dynamics have become even more pronounced. Navigating them is less about making trade-offs and more about discovering the right balance between seemingly competing needs and priorities. Success will come to those leaders who embrace complexity and make thoughtful choices across multiple dimensions, guided by key questions in three critical dimensions: ***work, workforce, and organization & culture.***

In the 2025 Financial Services Industry Human Capital Trends report we will explore these dimensions through the lens of the financial services industry – highlighting the trends most relevant to the Banking & Capital Markets, Insurance, and Investment Management and Real Estate sectors. These insights were distilled from the 2025 Global Human Capital Trends survey from financial services respondents across the globe.

Throughout this report, we will highlight the trends most relevant to each of the sectors mentioned above, examining how these developments can help you navigate both the challenges and opportunities ahead. We will provide practical examples and actionable guidance, illustrating how these insights can be applied to turn today's complexities into tomorrow's successes. Our goal is to equip you and your organization with the tools needed to thrive in an ever-evolving environment.

Deloitte.



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Introduction



Our **2024 Human Capital Trends report, Human Performance in A Boundaryless World**, set the stage and introduced the need for organizations to focus on human and business outcomes....

$$\left[\begin{array}{c} \text{human} \\ \text{outcomes} \end{array} \right] \times \left[\begin{array}{c} \text{business} \\ \text{outcomes} \end{array} \right] = \text{human performance}$$

OUR 2025 REPORT **EVOLVES** THIS THINKING...

TO ACHIEVE **HUMAN PERFORMANCE**,

LEADERS MUST NAVIGATE **TENSIONS**

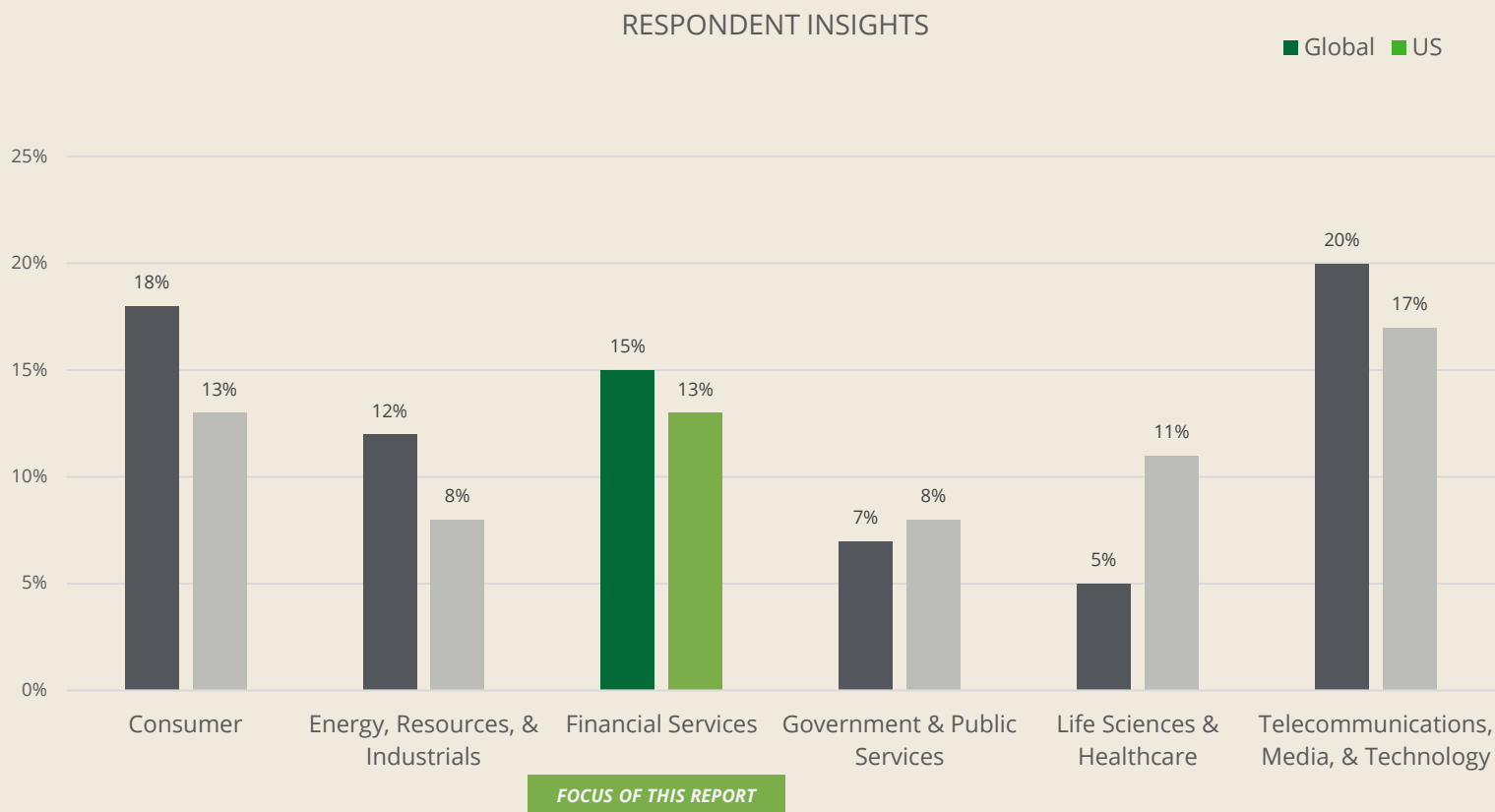
NOT PICKING A SIDE, BUT RATHER,
FINDING A BALANCE.

RECOGNIZING THAT BY EMBRACING SEEMINGLY
COMPETING PRIORITIES

ORGANIZATIONS CAN DRIVE GREATER
PERFORMANCE AND IMPACT.



To define the **2025 Human Capital Trends**, we have gathered insights from respondents across 6+ industries both globally and in the United States. The **Financial Services Industry** represents one of the highest survey representations both globally and within the US.



A BIT ABOUT THE 2025 REPORT

13,000⁺
*Survey respondents,
including*

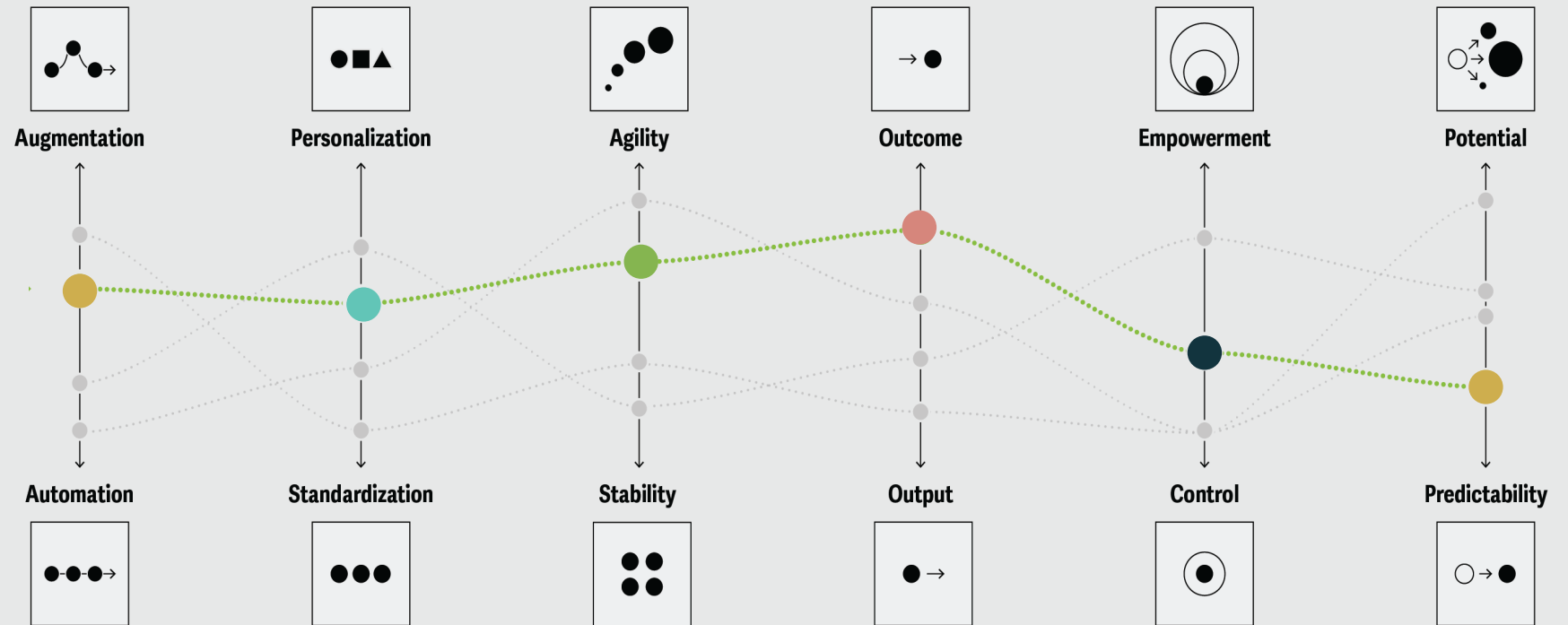
2,000⁺
Executives

93
countries

TURNING *TENSIONS* INTO *TRIUMPHS*

To achieve human performance, leaders must navigate a multitude of tensions, finding a balance between two seeming competing priorities to drive greater impact.

Addressing these tensions is not a matter of either/or, but of finding ways to **harmonize both priorities**—often unlocking greater value by integrating them.



HELPING LEADERS TRANSFORM ***UNCERTAINTY*** INTO ***OPPORTUNITY***

This year's report aims to help leaders gain traction amidst the tensions across **three key dimensions**:

WORK

How things get done

How do I ensure the right work is being done, and in an optimal way?

WORKFORCE

Who's doing the work and how we support them

How do I access, develop, and motivate the organization's workforce?

ORG & CULTURE

The structure and practices that unlock performance

Do I have the right organization and culture to enable performance?

INTRODUCING THE **2025 GLOBAL HUMAN CAPITAL TRENDS**

WORK



Stagility: Creating stability for workers for organizations to move at speed

How do I provide stability for my workers while creating the agility my business needs to thrive?



When work gets in the way of work: Reclaiming organizational capacity

How do I unlock worker capacity and how should it be used?



*In the chapters that follow, Deloitte's Experts explore these trends through the lens of the **Financial Services Industry***

WORKFORCE



AI is revolutionizing work. You need a human value proposition for the age of AI.

Do I need to update our employee value proposition for an AI-powered world, and if so, how?



Closing the experience gap

Why are my new hires not ready to contribute?



New tech. New work. Your old value proposition isn't enough.

How do I get value out of work and workforce technology?

ORG & CULTURE



What moves your people? Tapping into motivation at the unit of one

How can we motivate people to do what needs to be done to unleash human performance?



Reinventing performance management processes won't unlock human performance. Here's what will.

Why doesn't performance management work?



For most organizations, the value isn't found in eliminating the Manager role—or ignoring the need for change.

Is there still value in the role of managers?

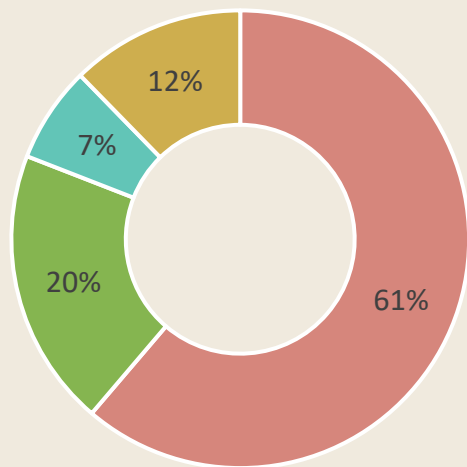
Financial Services Industry Overview



Financial Services Industry | Response Demographics

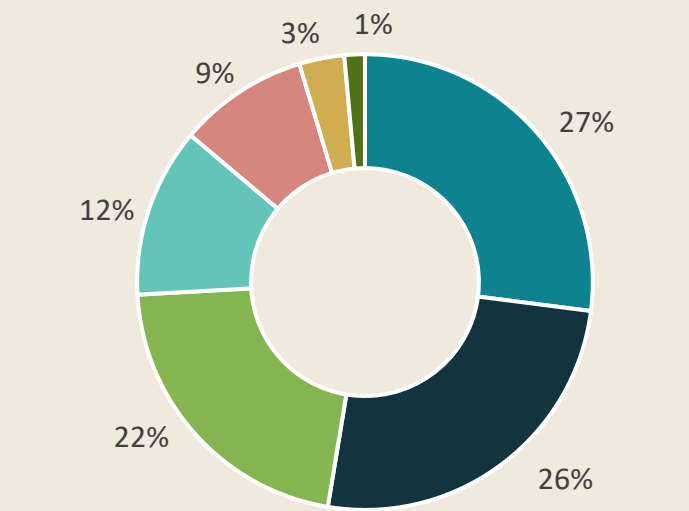
This year's Human Capital Trends report for Financial Services examines data collected from professionals in the industry. The report encompasses insights from various sectors within our industry, namely Banking & Capital Markets (61%), Insurance (20%), Investment Management (7%), and Real Estate (12%).

Sector



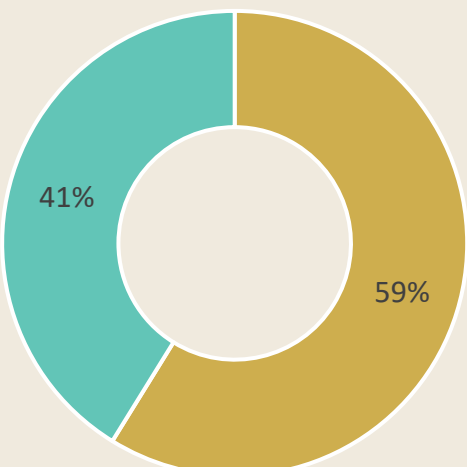
- Banking & Capital Markets
- Insurance
- Investment Management
- Real Estate

Respondent Job Level



- Manager
- Individual Contributor
- Director / Senior Manager
- Executive / C-Suite
- Vice President
- Board Level
- Student

Respondent Job Function



- HR
- Non-HR

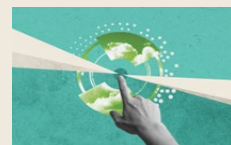
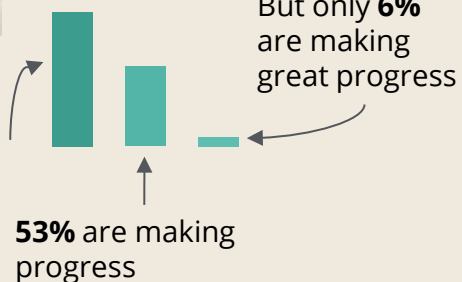
The “Knowing” vs. “Doing” Gap in Financial Services

While most Financial Services leaders recognize the importance of these key human capital trends, far fewer are actively addressing them —and even fewer are leading the way.



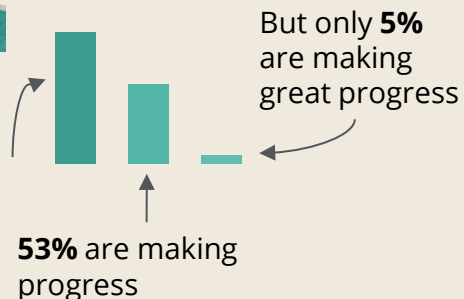
Closing the Experience Gap

89% recognize this a very important trend



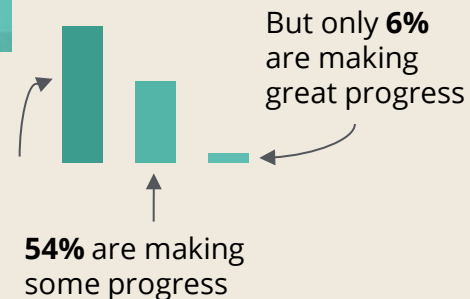
The Human Value Proposition for the Age of AI

87% recognize this a very important trend



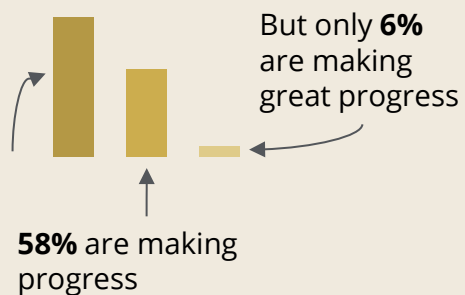
New Tech. New Work.

91% recognize this a very important trend



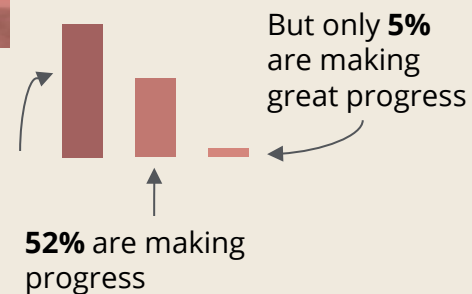
Stagility: Creating Stability for Agility

92% recognize this a very important trend



Tapping into Motivation at the Unit of One

89% recognize this a very important trend



What Matters Most: Top Trends Across Financial Services Sectors

While all of the human capital trends are relevant across the industry, in this year's industry report we've highlighted the top four trends in each sector that are most critical given the unique market forces, talent dynamics, and transformation priorities.

Trend	Description	Banking	Sectors Insurance	IMRE
The Human Value of AI	Artificial intelligence is reshaping work and the work-employer value proposition. How can organizations create an EVP that makes AI a friend rather than a foe?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Tech. New Work.	In a radically changing tech and work environment, organizations need a new calculus to select, plan, assess, and achieve value from their work and workforce tech investments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Closing the Experience Gap	Organizations struggle to find talent with the experience they need – just as workers struggle to find foothold roles where they can gain it. How can we bridge the gap?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Stagility	As disruption becomes the norm and traditional sources of stability for workers fall away, organizations should identify new anchors to adapt and thrive.	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Tapping into Motivation at the Unit of One	What's the last mile of realizing human performance? Understanding and capitalizing on what makes the people in your organization tick – at an individual level.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

How were the HC Trends selected?

- 1. Collaborated with SMEs** and reviewed sector research to define key market forces shaping each Financial Services Industry sector
- 2. Analyzed market forces against 2025 HC Trends** to uncover the tensions faced by people leaders in each sector
- 3. Selected four critical trends** for each sector, grounded in data and sector context to develop sector recommendations

A New Era for Financial Services: Forces Reshaping the Industry

Converging disruptive forces across markets, industries, and the workforce are redefining what it takes to lead and grow in Financial Services.

CONNECTING INDUSTRY DISRUPTION TO HUMAN-CENTERED ACTION

FINANCIAL SERVICES INDUSTRY MARKET FORCES

- The Financial Services Industry is rapidly evolving as converging market forces are requiring bold reinvention of business models and organizational priorities.
- *Examples: Regulatory changes, shifts in consumer behavior, etc.*

TENSIONS FOR PEOPLE LEADERS

- As this disruption accelerates, people leaders face mounting challenges around culture, capability, and change resistance that threaten progress and sustained performance.
- *Examples: Cultural barriers, skill gaps in AI, burnout and change fatigue, etc.*

2025 FINANCIAL SERVICES HUMAN CAPITAL TRENDS

- The 2025 Human Capital Trends explore how Financial Services Organizations can unlock human performance by navigating key work, workforce, and organization and culture tensions
- *Examples: Stagility, New Tech. New Work., etc.*



Leaders must translate insight into action by prioritizing human-centered strategies that elevate human performance and ultimately unlock the workforce potential needed to fuel business transformation.



SECTOR SPOTLIGHT:

Banking & Capital Markets



Forces Reshaping the Banking & Capital Markets (BCM) Sector

Four critical forces are fundamentally reshaping the BCM landscape, redefining workforce priorities.



Changing Consumer Behavior and Preferences Toward Digital-first Experiences

With 81% of customers reporting that they **expect more personalized and digital experiences**¹, BCM organizations continue to look for ways to reimagine customer journeys by investing in intuitive platforms and personalizing offerings to meet these evolving expectations.



Ongoing Technology Modernization Remains a Business Imperative

Modernizing legacy core systems is essential for BCM organizations seeking to **drive operational agility, accelerate product innovation, and remain competitive** in a rapidly transforming financial ecosystem.



An Evolving Threat Landscape and Increased Focus on Cybersecurity

With cyber risks growing in scale and sophistication, BCM organizations are prioritizing **robust cybersecurity strategies and proactive risk management** to safeguard assets, data, and client trust.



An increasingly Turbulent Regulatory and Geopolitical Landscape

Heightened **regulatory scrutiny, increased M&A activity and shifting geopolitical dynamics** are compelling BCM organizations to enhance compliance frameworks, adapt to new standards, and navigate uncertainty with resilience and agility.



In addition to these forces, all banking & capital markets clients are evaluating their AI strategies and use cases to determine how to embed AI across the enterprise.

Sector Deep Dive Banking & Capital Markets

WHAT'S INSIDE?

1

The Human Value of AI – AI is transforming roles within banks, unlocking new levels of productivity while reshaping talent strategies

2

New Tech. New Work. – Technology modernization is driving the need for new digital skills and adaptive workforce models

3

Closing the Experience Gap – BCM organizations are equipping employees with the skills and awareness needed to protect data and foster trust

4

Stagility – BCM Organizations are building agile and product-centric teams to adapt to an ever-evolving ecosystem of customer, employee, and industry expectations

Market Forces Create Unique Tensions for People Leaders in Banking & Capital Markets

The 2025 Human Capital Trends can serve as a compass to guide your efforts as you continue to not only adapt to this evolving landscape today but also prepare your organization for the challenges of tomorrow.



Banking & Capital Markets Forces Key



An Evolving Threat Landscape and Increased Focus on Cybersecurity



An Increasingly Turbulent Regulatory and Geopolitical Landscape



Changing Consumer Behavior and Preferences Toward Digital-first Experiences



Core Banking Modernization as a Business Imperative

2025 Human Capital Trends | Banking & Capital Markets

These four trends were identified as the most critical to the Banking & Capital Markets (BCM) sectors:



Stagility: Creating Stability for Agility

93%

of BCM respondents report that **balancing organizational agility** with **individual stability** is important

An example of this trend in action

BCM organizations are finding it challenging to create stability for employees while adapting to shifting regulations, modern legacy systems, and addressing evolving threats – all with speed and agility.

So what?

To remain competitive and compliant, BCM organizations should establish fluid and adaptive ways of working that strike a balance between the agility the organization needs with the day-to-day stability that employees crave.



New Tech. New Work.

91%

of BCM respondents agreed that it is important to **reorganize work and resources** as **traditional boundaries disappear**

An example of this trend in action

BCM organizations are struggling to modernize their core systems due to deeply entrenched legacy technologies, change-averse workforces, and the complexity of modernizing existing infrastructure.

So what?

By investing in new operating models and leveraging emerging technologies, BCM organizations can overcome these challenges to enhance organizational efficiency and deliver better customer experiences.



Closing the Experience Gap

85%

of BCM respondents report it's important to address the **rapid disappearance of entry-level roles** and create informal, on-the-job learning opportunities

An example of this trend in action

BCM organizations face a widening experience gap between the skills they need and those available in their organization, driven by the rapid evolution of technology outpacing workforce readiness.

So what?

To bridge this gap, BCM organizations should adopt skills-based talent strategies, integrate learning into daily work, and foster a collaborative culture to enable employees to meet emerging challenges and opportunities.



The Human Value of AI

83%

of BCM respondents report it's important to **address the blurred boundaries** between **humans and technology**

An example of this trend in action

AI is rapidly changing how BCM organizations operate, but many are struggling to communicate its value, prepare their workforce, and attract the necessary talent to deliver on its benefits.

So what?

BCM organizations should assess AI's impact on jobs, communicate their AI strategies to employees, and invest in upskilling to drive effective human-AI collaboration.

Stagility* | Banking & Capital Markets

BCM organizations need to stay nimble, navigating shifting regulations while finding smart ways to motivate top talent—all while maintaining compliance.



Why is this HC trend relevant?

As disruption becomes the norm and traditional sources of stability erode, organizations must establish new anchors to adapt and thrive. BCM organizations face mounting volatility from increasing regulatory complexity, shifting consumer expectations, rapid digitalization, and escalating cybersecurity threats. These pressures require faster decision-making and greater adaptability, even as employees seek clarity, consistency, and direction in their work. The tension between the need for agility and the human desire for stability is especially acute in the BCM sector. To move quickly without causing confusion or burnout, BCM organizations must design structures, roles, and routines that foster responsiveness while grounding employees in a sense of security and purpose.

KEY STATISTICS



of Banking & Capital Markets respondents report that **balancing organizational agility with individual stability** is critical to thriving in today's complex and fast-changing environment

Yet only...



of BCM respondents report that they are **actively leading or expanding efforts to redesign** their organizational structure to achieve this balance

WHAT'S KEEPING BCM ORGS FROM MOVING AHEAD?

- **Governance Friction:** Additional governance compliance and risk frameworks often conflict with flexible team structures and rapid decision-making needed in today's environment
- **Alignment Gaps:** BCM organizations struggle to align workforce and organizational priorities in a way that balances adaptability with the need for control consistency and risk mitigation
- **Rigid Organizational Design:** Conventional hierarchical structures create barriers against more fluid cross functional ways of working

RECOMMENDED ACTIONS

- **Redesign Work Structures:** Experiment with work and team structures that align people to both business and human outcomes, enabling agility while embedding risk awareness and compliance into day-to-day ways of working
- **Enable Cross-functional Collaboration:** Build employee networks and agile teams that cut across silos, reduce friction in decision making, and encourage a culture of shared accountability for innovation and risk
- **Invest in Versatile Skillsets:** Equip employees with cross-functional skills to thrive in fluid team-based environments, while reinforcing core capabilities in compliance, controls, and risk to preserve organizational stability

New Tech. New Work. | Banking & Capital Markets

BCM organizations are modernizing core systems to empower their workforce with new technology, streamline operations, and drive future-ready ways of working.



Why is this HC trend relevant?

BCM organizations are modernizing their technologies, moving from legacy applications to flexible, cloud-based solutions to stay competitive and future ready. While this continued transformation is critical, many BCM clients are struggling with the people side of these efforts – putting their ROI at risk. In many cases, a key barrier is the inability to articulate a clear value case that extends beyond cost savings and operational efficiency. Without a compelling narrative of how new technology investments can enhance the workforce experience – like improving wellbeing, increasing agility, or enabling more meaningful work – BCM organizations may risk missing the opportunity to realize the full value of their technology investments by unlocking the human potential needed to power them.

KEY STATISTICS



of Banking & Capital Markets respondents agreed that **organizing work across traditional boundaries is important** – reinforcing that realizing tech ROI requires more than systems, it requires reimagining how work gets done.

Yet only...



of BCM respondents are **leading or expanding their efforts to organize work across boundaries** – exposing a major gap between intent and execution that puts their tech investments at risk.

WHAT'S KEEPING BCM ORGS FROM MOVING AHEAD?

- **Lack of Tech Talent:** BCM clients are struggling to hire and develop top talent with the digital, analytical, and flexible skills needed to deliver on the promise of new technologies, making it difficult to justify continued investment beyond core operational upgrades
- **Insufficient Change Leadership:** Resistance to technology changes remains a major barrier, particularly when BCM orgs fail to create tangible improvements to employee's day-to-day work, stalling adoption and the ability to showcase success stories that reinforce the value case

RECOMMENDED ACTIONS

- **Take a Portfolio-Based Investment Approach:** Adopt a portfolio-based approach to technology investment that aligns functional improvements with organizational outcomes – including workforce experience, adaptability, and engagement
- **Upskilling for the future:** Proactively upskill workers in emerging capability areas – aligned to where future value will be created – ensuring people can grow alongside of your modernized core banking applications
- **Strategic Change Management:** Develop a robust change management plan that addresses cultural resistance and aligns leaders around a shared vision

Closing the Experience Gap | Banking & Capital Markets

BCM organizations must be empowered to close the experience gap by aligning talent, technology, and culture for the digital age.



Why is this HC trend relevant?

BCM organizations face a widening experience gap between the skills they need and those available in the workforce. The challenge is not just about hiring more professionals – whether in cybersecurity, digital transformation or customer experience – rather, it is about attracting and cultivating adaptable, growth-oriented talent who can keep pace with emerging tools, threats, and expectations. To close this experience gap, organizations must move beyond traditional talent models—focusing on skills-based development, creating meaningful work experiences, and fostering a culture where learning is embedded at every level.

KEY STATISTICS



85% of BCM respondents report it's **important to address the rapid disappearance of entry-level roles** and create informal, on-the-job learning opportunities

Yet only...



24% of Banking & Capital Market companies are **leading or expanding their efforts to address the rapid disappearance of entry-level roles** and create informal, on-the-job learning opportunities

WHAT'S KEEPING BCM ORGS FROM MOVING AHEAD?

- **Talent Gaps in Core Skill Areas:** Shortage of workers with the necessary technical expertise; competition with tech and other sectors
- **Insufficient Integration of Learning into Work:** Most organizations treat learning as a separate activity rather than embedded in daily work
- **Siloed Across the Organization:** Lack of cross-functional collaboration and the sharing of knowledge across departments in an organization

RECOMMENDED ACTIONS

- **Adopt Skills-Based Talent Strategies:** Shift from role-based to skills-based hiring, development, and deployment to better match organizational needs
- **Collaborate Across the Ecosystem:** Partner with fintech organizations, academic institutions, and industry groups to co-create talent pipelines, share knowledge, and stay ahead of workforce trends
- **Design Meaningful Work Experiences:** Engage professionals with challenging projects that align with business priorities and provide opportunities for growth and impact

The Human Value of AI | Banking & Capital Markets

BCM organizations must keep pace with the AI revolution by reshaping their Employee Value Proposition (EVP) to empower employees to thrive alongside machines.



Why is this HC trend relevant?

AI is quickly transforming the US Banking & Capital Markets sector, prompting organizations to revisit traditional work models and redefine the employee-employer relationship as machines join the dynamic. Six in 10 workers already think of AI as a co-worker. As AI moves from automation to augmentation to collaboration to convergence, it is fundamentally changing how employees engage with their work. At the same time, customers increasingly expect faster, more personalized digital banking experiences, pushing BCM organizations to evolve their workforce strategies. Addressing this requires more than small adjustments—it calls for a fundamental reimagining of the way that we leverage AI in our day-to-day work as human and machine collaboration is becoming the norm.

KEY STATISTICS



of BCM respondents report it's important to **reinvent the Employee Value Proposition** and related workforce practices to reflect increased collaboration between humans and technology, especially AI

Yet only...



of BCM respondents report that they are making meaningful or great **progress towards reinventing their Employee Value Proposition** to accommodate the relationship between humans and AI

WHAT'S KEEPING BCM ORGS FROM MOVING AHEAD?

- **Outdated Learning & Development:** Front line staff have access to AI tools to delivering targeted customer advice but have not been adequately trained to embrace these new tools and ways of working
- **Reactive Talent Acquisition:** The industry faces challenges predicting talent needs and should shift from traditional job roles to a skills-based value proposition
- **Outdated Job Descriptions:** Lack of clarity on how and where employees can collaborate with AI to fulfill their job requirements

RECOMMENDED ACTIONS

- **Establish Cross-Functional AI Governance:** HR leaders and Chief Technology Officers should collaborate to define and implement governance frameworks for AI-driven processes. By working together, they can determine appropriate controls, ethical guidelines, and accountability measures to ensure that AI applications align with organizational values, protect employee interests, and comply with regulatory requirements
- **IT and HR must collaborate to Design a Robust Employee Value Proposition (EVP):** With all necessary parties present, BCM organizations must update their EVP to integrate AI across the following core areas: Meaningful Work, Personal Growth, Well-Being, Work Environment and Culture, Rewards and Recognition



SECTOR SPOTLIGHT:

Insurance



Forces Reshaping the Insurance Sector

Three critical forces are fundamentally reshaping the insurance landscape, redefining workforce priorities.



Risk Reduction has Become a Strategic, Enterprise-Wide Priority

Insurers are embedding risk capabilities across business functions as **climate, cyber, regulatory, and economic risk** become increasingly volatile. **Clear ownership** of these risk areas and **robust internal training** on risk capabilities are critical to mitigate risk.



Technology Modernization Efforts are Table Stakes for Competitiveness

Outdated back-office technologies drag efficiency and slow growth; Insurers must **modernize across the value chain** to remain competitive. This includes investment in upskilling their workforces to take full advantage of new systems and technologies.



Cost Strategies are Shifting from Broad Cuts to Targeted Efficiencies

Insurers face continued **pressure to reduce cost** while increasing value. In turn organizations are focusing on smarter, targeted efficiencies beyond simple automation, through **workforce, tech, and process redesign**.



In addition to these forces, all insurance clients are evaluating their AI strategies and use cases to determine how to embed AI across the enterprise.

Sector Deep Dive Insurance

WHAT'S INSIDE?

1

New Tech, New Work – Insurance organizations evolve their technology suites to optimize how work gets done

2

The Human Value of AI – AI increases operational efficiency and allows employees to focus more strategically

3

Closing the Experience Gap – Insurers are focusing on aligning worker expectations with evolving work models to improve engagement and retention

4

Tapping Into Motivation at the Unit of One – Understanding employee motivation is becoming critical to workforce strategy and sustaining the competitive edge

Market Forces Create Unique Tensions for People Leaders in Insurance

The 2025 Human Capital Trends can serve as a compass to guide your efforts as you continue to not only adapt to this evolving landscape today but also prepare your organization for the challenges of tomorrow.



Insurance Forces Key



Risk Reduction has Become a Strategic, Enterprise-Wide Priority



Technology Modernization Efforts are Table Stakes for Competitiveness



Cost Strategies are Shifting from Broad Cuts to Targeted Efficiencies

2025 Human Capital Trends | Insurance

These four trends were identified as the most critical to the Insurance sector:

New Tech. New Work.



93%

of Insurance respondents believe that it is **important to reorganize work and resources** as traditional boundaries disappear

An example of this trend in action

New technology solutions increase operational efficiency and allow the workforce to focus on strategic, value-driven work.

So what?

Insurance organizations should make the case for new technology not just as a cost-saving measure, but as a framework where tech can help create new value and improve worker well-being.

Tapping Into Motivation at the Unit of One



90%

of Insurance organizations report that **customizing work and workforce practices** based on employee skills, behavioral patterns, and motivations **is important**

An example of this trend in action

Understanding what motivates workers is key to retaining, energizing, and properly utilizing top insurance talent, especially amid growing workloads and compliance pressures in a hybrid work environment.

So what?

Insurers that successfully personalize engagement strategies and align work to individual purpose will be better positioned to maintain morale, boost productivity, and retain critical talent

Closing the Experience Gap



85%

of Insurers report it's **important to address the rapid disappearance of entry-level roles** and create informal, on-the-job learning opportunities

An example of this trend in action

Industry trends like operating model reorganization, financial engineering, and technology modernization create a mismatch between what new hires bring and what evolving roles now require.

So what?

As Insurers compete in an industry undergoing rapid transformation, continued investments in new sourcing and development of employees will be critical to the path of success.

The Human Value of AI



83%

of Insurance respondents believe it is important to **address the blurring boundaries between humans and technology**

An example of this trend in action

As AI continues to expand its role in the workplace, Insurance organizations have an opportunity to take a leading role in AI utilization—if they can present a compelling use case for employees.

So what?

By proving the benefits of AI to workers, distribution partners, and policyholders alike, Insurance companies can capitalize on its potential to enhance human experiences and improve work.

New Tech. New Work. | Insurance

Insurance organizations are upgrading burdened legacy systems and unlocking the value delivered by modern technology solutions.



Why is this HC trend relevant?

Insurance companies are working to boost organizational capacity by streamlining operations. New distribution tools, administrative systems, and AI use cases offer promising ways to make insurance companies more efficient. As technologies advance, modernization is becoming an expectation rather than a differentiator; organizations must keep up or risk losing their ability to compete. Ultimately, to ensure widespread adoption, insurers will need to make the case that new tech will work alongside their workforce to create a better experience.

KEY STATISTICS



of Insurance respondents believe that addressing the blurring boundaries between humans and technology is **very important** or **of critical importance** to their organization's success

Yet ...



of Insurance respondents believe addressing the blurring boundaries between humans and technology is **not yet a consideration** within their organization

WHAT'S KEEPING INSURANCE ORGS FROM MOVING AHEAD?

- **Complex Legacy Integrations:** Deeply entrenched legacy systems make integration costly and technically challenging, delaying or complicating transformation timelines and outcomes.
- **Business Case Alignment:** Because new tech often spans multiple functions, the need for organization-wide alignment can create inaction.
- **Change Fatigue:** Years of continuous technology upgrades have left Insurance employees fatigued and skeptical of tangible benefits.

RECOMMENDED ACTIONS

- **Redefine and align stakeholders on what success looks like:** Broaden the definition of value – include measures for innovation, employee experience, and agility when rationalizing continued technology investment. Link metrics to outcomes and track both short and long-term outputs.
- **Human-centered transformation:** Involve employees and stakeholders early in the transformation process. Use agile methodologies to pilot, test and scale tech solutions, allowing for quick adjustments as needed
- **Enhance governance to drive accountability:** Assign responsibility for organizational and human outcomes to specific teams and leaders. Form governance committees with representation from HR, IT, business units and other key stakeholders

Tapping Into Motivation at the Unit of One | Insurance

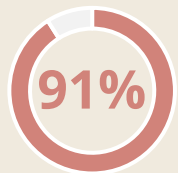
Identifying what motivates insurance workers can help them see their ability to stay and grow at your company.



Why is this HC trend relevant?

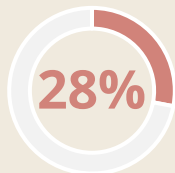
Understanding and leveraging individual motivations to enhance performance and innovation is becoming increasingly critical for insurance companies—especially in a competitive talent market and hybrid work environment. With rising attrition among specialized roles like underwriters, claims adjusters, and actuaries, insurers are investing in personalized workforce strategies to boost engagement, drive performance, and retain top talent. By analyzing employee motivations, insurers can foster purpose-driven cultures that align employee goals with business outcomes.

KEY STATISTICS



of Insurance respondents report **customizing the design and experience of work and workforce practices** based on worker's skills, behavioral patterns, motivations **is important**

Yet only...



of Insurance respondents are **expanding or leading efforts** to customize **the design and experience of work and workforce practices** based on worker's skills, behavioral patterns, and motivations

WHAT'S KEEPING INSURANCE ORGS FROM MOVING AHEAD?

- **Standardization vs Personalization:** Organizations struggle to deliver a consistent experience while leaving room to address individual needs
- **Lack of Analysis:** Limited collection and utilization of employee data
- Limited manager capability or tools to identify and act on individual employee motivations, leading to generic engagement approaches
- **Organizational Culture:** Organizations can be hesitant to commit to a personalized approach to work

RECOMMENDED ACTIONS

- **Collect data to understand:** Responsibly collect, map, and measure worker motivations across different roles and career stages to inform targeted engagement strategies that drive engagement and decreased attrition.
- **Identify Use Cases:** Co-design initiatives that connect personal purpose with organizational goals, especially for high-turnover functions like customer service and operations.
- **Choose the personalization approach:** Tailor growth opportunities (e.g., upskilling, internal mobility, and leadership pathways) to what motivates different workforce segments (e.g. Manager-driven, Modular choices, Tech-driven)

Closing the Experience Gap | Insurance

As insurance organizations adjust to a modern working world, they are increasingly prioritizing employee experience to drive retention, productivity, and customer satisfaction.



Why is this HC trend relevant?

Insurance companies are realizing that legacy systems, outdated processes, and unclear workflows are widening the gap between employee expectations and actual workplace experiences. Closing this experience gap is critical to attracting and retaining top talent, especially in a tight labor market. Leading insurers are redesigning work environments and leveraging technology and AI to deliver more intuitive, flexible, and purpose-driven employee experiences. When employees feel empowered, supported, and aligned with the organization's mission, productivity and customer outcomes improve.

KEY STATISTICS



85% of Insurance respondents report it's **important to address the rapid disappearance of entry-level roles** and create informal, on-the-job learning opportunities

Yet only...



19% of Insurers are **actively leading and expanding their efforts to address the rapid disappearance of entry-level roles** and informal, on-the-job learning opportunities

WHAT'S KEEPING INSURANCE ORGS FROM MOVING AHEAD?

- **Siloed technology** and **fragmented tools** that hinder experience consistency
- **Over-reliance on outdated workflows** and manual tasks
- **Lack of real-time feedback loops** or employee input mechanisms
- **Cultural resistance** to reimagining traditional roles and hierarchies
- **Inadequate visibility** into what employees actually need to thrive

RECOMMENDED ACTIONS

- **Listen deeply to employees:** Use surveys, AI, and analytics to continuously capture feedback on pain points and expectations.
- **Modernize workflows and tools:** Streamline tasks and approvals to reduce administrative fatigue.
- **Design for flexibility and inclusion:** Offer hybrid, remote, and asynchronous work options that align with diverse employee needs.
- **Empower managers as experience architects:** Equip leaders to create purpose-driven, supportive team environments.
- **Close the loop:** Use data to identify gaps and regularly update processes based on real employee experience feedback.

The Human Value of AI | Insurance

Artificial intelligence is reshaping work and the worker-employer value proposition in the market overall and specifically within the Insurance space. Organizations and leaders are tasked with creating an EVP that makes AI a friend rather than a foe.



Why is this HC trend relevant?

AI is a transformative force across industries, enabling organizations to reimagine work, drive innovation, and create new value. In the insurance industry, AI is already beginning to automate processes, enhance customer experiences, improve risk management, and support data-driven decision-making—helping Insurers stay competitive in a rapidly evolving market. AI-driven analytics help Insurers identify emerging risks, optimize product offerings and inform strategic decisions while AI tools help enable automation of back-office processes to reduce manual work, avoid errors, and lower operational costs. As AI continues to evolve and play a role in how employees engage with their jobs, Insurance companies must evolve their EVP to address the human value of AI.

KEY STATISTICS



83% of Insurance respondents believe it's **very important or of critical importance** to address the **blurring boundaries between humans and technology** (e.g. the convergence of engineering and humanities)

Yet only...



27% of Insurance respondents are **leading or expanding** the efforts to address the **blurring boundaries between humans and technology** (e.g. the convergence of engineering and humanities)

WHAT'S KEEPING INSURANCE ORGS FROM MOVING AHEAD?

- **Challenges in quantifying the value** of insurance-specific AI investments
- **Outdated legacy systems** and unclear data governance can hinder integration
- **Employee resistance** and insufficient upskilling efforts
- **Regulatory, ethical** and **trust** concerns
- **Leadership misalignment** and resource constraints

RECOMMENDED ACTIONS

- **Develop clear, realistic business cases:** define specific, measurable outcomes for AI initiatives beyond costs savings (e.g., customer experience, innovation, risk management)
- **Modernize data and technology infrastructure:** invest in upgrading legacy systems to ensure AI solutions can be deployed effectively
- **Prioritize workforce readiness and change management:** Launch upskilling and reskilling programs
- **Embed ethics, trust and compliance:** Build responsible AI practices into every stage of development, focusing on transparency, fairness and regulatory compliance
- **Start small, scale strategically:** Begin with targeted AI use cases that offer quick wins and scalability



SECTOR SPOTLIGHT:

*Investment Management
and Real Estate (IMRE)*



Forces Reshaping the Investment Management & Real Estate (IMRE) Sector

Four critical forces are fundamentally reshaping the Investment Management & Real Estate landscape, redefining workforce priorities.



Continued Focus On Strategic Technology Investments

Investment management firms are increasingly investing in strategic technology to **boost efficiency across front, middle, and back-office functions**, while enhancing decision making to meet evolving client needs.



The Evolution of the Product-centric Operating Model

The shift to a **product operating model** reflects a broader move towards greater **agility, cost optimization, clearer accountability, and faster innovation** in delivering tailored investment solutions and client outcomes.



Driving Portfolio Growth through Alternative Real Estate Investments

Diversifying portfolios with **alternative property types** reflects a growing trend among real estate firms to **mitigate risk, capture new growth opportunities, and adapt to shifting market demands**.



Sustainability as a Core Tenant of Real Estate Strategy

Environmental, Social, & Governance (ESG) considerations have become **central to investment decisions** and **asset management strategies**, as **green-certified buildings** are likely to attract new capital.



In addition to these forces, all investment management and real estate clients are evaluating their AI strategies and use cases to determine how to embed AI across the enterprise.

Sector Deep Dive Investment Management & Real Estate (IMRE)

WHAT'S INSIDE?

1

The Human Value of AI - Investing in technology requires firms to evaluate how humans and AI collaborate to achieve business objectives

2

Stagility - As investment firms shift organizational structures to better meet client needs, it is essential to balance agility and stability

3

Closing the Experience Gap - Expanding into new property types requires real estate firms to upskill talent or find different solutions

4

Tapping Into Motivation at the Unit of One - Sustainability strategies require real estate firms to understand and align with workforce motivations

Market Forces Create Unique Tensions for People Leaders in IMRE

The 2025 Human Capital Trends can serve as a compass to guide your efforts as you continue to not only adapt to this evolving landscape today but also prepare your organization for the challenges of tomorrow.



Investment Management & Real Estate Forces Key



2025 Human Capital Trends | Investment Management & Real Estate

These four trends were identified as the most critical to the Investment Management & Real Estate sector:

Stagility: Creating Stability For Agility



95%

of Investment Management respondents reported that **reinventing the design of the organization to balance agility and fluidity is an important issue**

An example of this trend in action

Striking a balance between agility and stability is crucial for Investment firms. While rigid organizational structures and static job descriptions can hinder growth and agility, employees also crave the stability needed to act confidently, think creatively, and adapt to change.

So what?

Firms that fail to evolve their structures risk falling behind their competitors and may fail to retain top talent. However, firms that evolve without providing the stability their workforces desire risk undermining employee confidence, stifling creativity, and driving disengagement.

Closing The Experience Gap



95%

of Real Estate respondents reported it is important to **prioritize human capabilities** (e.g., curiosity, emotional intelligence, etc.) in their organization's workforce

An example of this trend in action

As Real Estate firms expand into alternative property types, they face a significant challenge that many industries encounter: finding experienced talent to support new opportunities and ensuring their workforce develops the skills to succeed.

So what?

Addressing this talent gap will be essential for firms to capitalize on new opportunities and drive sustained growth in an evolving market. Organizations can adopt a holistic development approach by integrating skill-building with practical, contextual experience, thereby helping workers bridge the gap.

The Human Value of AI



93%

of Investment Management respondents believe it is important to **address the blurring boundaries between humans and technology**

An example of this trend in action

Amid rising client expectations and regulatory complexity, Investment firms are investing in advanced technologies, including AI, to transform how work is done, prompting a re-evaluation of their EVP to better engage, train, and retain top talent.

So what?

The future's most successful organizations will empower their workforce to leverage AI for peak performance. By providing advanced AI tools, encouraging experimentation, and investing in training, they will achieve greater innovation, productivity, and sustainable growth.

Tapping Into Motivation At The Unit Of One



74%

of Real Estate firms reported using technology to localize and **hyper-personalize motivating and changing human behaviors is important**

An example of this trend in action

As Real Estate firms increase their focus on sustainability, they have the unique opportunity to accelerate progress by aligning organizational goals with employees' motivations and values.

So what?

Increasingly, employees are driven by a sense of purpose and seek to make a positive impact through their work. By aligning organizational goals with these values, real estate firms can enhance employee engagement, inspire innovation, and strengthen their competitive edge.

Stagility* | Investment Management

Creating stability for workers is challenging as Investment Management organizations reshape their structure to meet evolving demands.



Why is this HC trend relevant?

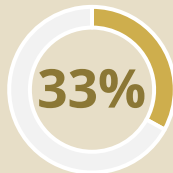
In today's environment of constant disruption - Investment Management firms are realizing that traditional organizational structures may no longer serve them well. There is a clear shift underway to transition to product operating models to better align around client outcomes, optimize costs, enhance speed-to-market, all while integrating technology and data into every layer of delivery. As firms embrace product-centric ways of working - built on cross-functional teams, iterative delivery, and customer-centric design - they must rethink the structure and design of the enterprise. This shift demands greater organizational agility but also brings a parallel need to create stability for workers - through clear roles, support structures, and career pathways.

KEY STATISTICS



of Investment Management respondents believe it is **very or critically important** to reinvent the design and structure of the organization to balance agility and fluidity for the organization, while creating stability for workers.

Yet only...



of Investment Management companies are **leading or expanding** efforts to create stability for workers through reinventing the design and structure of the organization.

WHAT'S KEEPING INVESTMENT FIRMS FROM MOVING AHEAD?

- Leaders worry that changing structures could create confusion or **disrupt performance** in high-functioning areas.
- **Existing governance, compliance, and risk frameworks** can clash with flexible team structures and rapid decision-making.
- Developing a **compelling business case for organizational redesign** and securing the necessary approvals can be challenging, often resulting in delays in coordinated action.

RECOMMENDED ACTIONS

- **Redesign Roles and Career Paths for Flexibility:** Enable employees to move across projects or teams while still progressing in a stable, rewarding career path.
- **Build Internal Capability for Organizational Design:** Invest in HR, OD, and transformation talent that can guide redesign efforts with an understanding of both structural and cultural change.
- **Modernize Governance and Decision Rights:** Shift from hierarchical approval chains to clearer, decentralized decision-making models that empower teams.
- **Pilot Op-Model Changes in Smaller Groups:** Initiate changes to the op-model using a smaller cross-functional team to test end to end ownership and capture lessons learned to inform a broader rollout.

Closing the Experience Gap | Real Estate

Expanding Real Estate portfolios to include alternative property types necessitates building capabilities within the workforce to remain competitive and capitalize on emerging opportunities, but organizations are having difficulty finding the experienced talent they need.



Why is this HC trend relevant?

As Real Estate firms accelerate investments in alternative property types such as data centers, life sciences, senior living, logistics hubs, and ESG-driven mixed-use developments, the demand for specialized skills is rising sharply. Success in these areas requires not only technical expertise but also human capabilities like curiosity and emotional intelligence. Yet, many organizations are struggling to source and develop the talent needed to support portfolio expansion, resulting in a widening experience gap. Addressing this challenge head-on is essential; without decisive action, firms risk weakening their future talent pipelines and missing out on the significant growth opportunities these emerging sectors offer.

KEY STATISTICS



of Real Estate companies believe it **is very or critically important** to prioritize human capabilities in the organization's workforce practices.

Yet only...



of Real Estate companies are **leading or expanding** efforts to prioritize human capabilities in the organization's workforce practices.

WHAT'S KEEPING REAL ESTATE FIRMS FROM MOVING AHEAD?

- Many Real Estate companies favor candidates with a track record of closing deals, managing assets, or overseeing construction, often **assuming experience directly translates to performance**.
- Firms often **lack a clear map of what skills are needed** for alternative investments, making it hard to target development efforts.
- Some **mid-level professionals** (especially in property management and development) **left the industry during the pandemic** and haven't returned.

RECOMMENDED ACTIONS

- **Map Future-Critical Capabilities by Asset Type:** To guide workforce planning and upskilling for alternative property types.
- **Reimagine Early-Career Pathways and EVP:** Redesign job architectures to reflect new growth areas and create rotational programs and opportunities that allow young talent to gain exposure across the business.
- **Expand Talent Sourcing:** To include external pools with relevant, transferable experiences and pair this approach with immersive, real estate-specific experiential learning programs.
- **Get Proactive About Succession Planning:** Invest in strategies to attract and retain younger workers while embedding a culture of adaptive learning into leadership behaviors, incentives, and internal communications.

The Human Value of AI | Investment Management

As Investment Management organizations invest in strategic technology, they should prioritize AI-enabled platforms, recognizing that successful adoption will require significant organizational change.



Why is this HC trend relevant?

As the Investment Management industry undergoes rapid technological transformation, particularly with the rise of AI, firms are challenged to rethink what it means to create value for and through their workforce. Firms recognize the necessity to invest in strategic technology and incorporating AI, but few are moving decisively to act. The shift isn't just about new tools or technologies - it's about reimagining roles, skills, incentives, and purpose in an environment where human capabilities are increasingly augmented by intelligent systems.

KEY STATISTICS



of Investment Management respondents believe it is important to **address the blurring boundaries between humans and technology**

Yet only...



of Insurance respondents are **expanding** the efforts to address the **blurring boundaries between humans and technology** (e.g. the convergence of engineering and humanities)

WHAT'S KEEPING INVESTMENT FIRMS FROM MOVING AHEAD?

- Many leaders struggle to **clearly define what a future-ready employee value proposition (EVP) looks like** in the context of AI-augmented roles.
- **Greater clarity is needed** around which AI use cases are applicable and how AI can enhance organizational efficiencies.
- **Traditional job architectures**, career paths, and incentives are not designed for cross-functional, tech integrated work.

RECOMMENDED ACTIONS

- **Define a Human + AI Vision for the Workforce:** Articulate how human talent and AI will create differentiated value, and cascade this vision across EVP messaging, roles, and incentives.
- **Pilot AI-Augmented Roles:** Start small by reconfiguring a few key roles with AI support – use learnings to scale workforce design efforts.
- **Build Cross-Functional Transformation Teams:** Bring together HR, tech, ops, and strategy to co-design next-gen talent practices, backed by strong leadership sponsorship.

Tapping Into Motivation At The Unit Of One | Real Estate

As Real Estate firms embed sustainability into their core investment strategy, success increasingly depends not only on infrastructure and capital decisions but also on the behaviors and choices of individuals across the value chain.

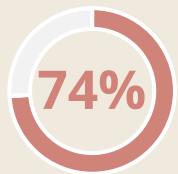


Why is this HC trend relevant?

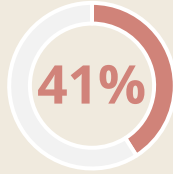
Historically, Real Estate operations have focused on efficiency, predictability, and stability, emphasizing clear hierarchies and asset performance. However, in 2025, incorporating sustainability into core real estate strategies will require a fundamental shift toward cross-functional collaboration, innovation, and a mindset oriented to long-term value and shared accountability. Gaining insight into what motivates employees on an individual level is essential for driving meaningful behavioral change and fostering workforce support for new sustainability strategies.

KEY STATISTICS

Yet only...



of Real Estate companies believe it **is very or critically important** to use new technologies (i.e., Generative AI) to localize and hyper-personalize motivating and changing human behavior.



of Real Estate companies are **leading or expanding** efforts to use new technologies to localize and hyper-personalize motivating and changing human behavior.

WHAT'S KEEPING REAL ESTATE FIRMS FROM MOVING AHEAD?

- Real estate firms can be **highly fragmented**, spanning diverse functions with **distinct mindsets and success drivers across roles** such as development, acquisitions, leasing, management, sustainability, and more.
- Motivation is best fostered through dialogue and listening, yet real estate **firms often rely on top-down decision-making**.

RECOMMENDED ACTIONS

- Develop a Human-Centered Workforce Strategy:** Collect and analyze data-driven insights to understand the unique motivations of employees and deliver a highly personalized experience that fosters engagement, productivity, well-being, and sustainability.
- Launch Cross-Functional Sustainability Programs:** Where employees can collaborate on green initiatives, share ideas, and lead projects that align with their interests—empowering them to directly influence workplace culture and drive meaningful environmental impact.
- Train Leaders to Identify and Support Micro-Motivations:** Equip leaders to detect individual motivations in 1:1 and team settings to drive workforce planning conversations to determine what work and roles motivate workers in support of sustainability efforts.



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