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How do banks handle the ‘Age of the Worker’?

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Much is written about robots replacing humans and whether tomorrow’s worker will become obsolete.

But the reality is that technology’s evolution will help liberate and empower employees, though organizations will have to shift their thinking to make that happen.

We are entering the “Age of the Worker.” And this era will impact every industry, including banking and wealth management. Employees are looking for trust, control and convenience from their employers, and they will use the same power for conveying feelings as consumers do.

Platforms like Glassdoor rate financial organizations as employers. In an industry that has had its fair share of scandal since the 2008 financial crisis, there is no better time to consider updating outdated employee practices to stay at the forefront of top talent acquisition.

Over the last two decades, employers have modified the employee/employer contract, eliminating pensions, removing lifetime employment and increasing their use of contingent workers – a necessary change for businesses to thrive in the 21st century. Employees see and feel this transformation, but historically have not been comfortable openly talking about it for fear of potential negative impacts.

Yet smart employees have begun to adjust their thinking about work and life, taking on portfolio careers, investing in reskilling, rethinking retirement and quickly realizing that the employment game’s focus has moved from loyalty to value. Instead of resenting this reality, true professionals embrace it and make it work for them. Technology has hastened this shift.

To start, technology has created a smaller, more connected world, giving employees a voice and new opportu-

nities. Digital labor platforms enable people to augment their day jobs with “gig” work. During the financial crisis, people pursued “gigs” out of necessity to supplement income – today, their appeal not only comes in the form of supplemental income, but also in the opportunity to build skills, pursue passions and gain freedom.

Social media also gives employees an increasingly powerful voice. Historically, organizations required employees to file a grievance and submit to a whistleblower committee, essentially governing their voices. Before social media, political and social movements – think civil rights and labor – took decades, while modern social movements like #MeToo can take minutes or hours to get off the ground.

At the same time, society as a whole, and especially millennials, show interest in purpose-driven businesses and doing well by doing good – another crucial workforce change.

These value shifts increase employee power. Employees today refuse to compromise their values and professional development, putting pressure on companies to react. Business leaders and organizations interested in attracting and retaining top talent need to deliver the opportunities and develop their cultures for the “Age of the Worker.”

What needs to change? Current organizational structures – and arguably some leaders – are relics of the industrial revolution and were implemented to govern employees at a time when it was needed. Organizations need structures that connect, not control. Ideas about the role of structure need to evolve, move beyond the idea of flattening organizations and focus on building connectivity. Today’s annual performance reviews do not encourage constructive conversation – they are static, tied to compensation

and typically put the employee on the defensive. Employees yearn for developmental evaluations, and providing real-time, bilateral feedback strengthens trust and connectivity. Technology, such as Slack and Jive, can facilitate the dynamic feedback organizations seek as they explore revamping performance reviews. But implementing change also requires the organizational structures and leaders to facilitate it.

Policies today irritate and constrain employees because they are built on a lack of trust and feel like glorified babysitting. While some policies, such as criminal background checks and employment verification practices, are needed, many other practices should evolve – starting with the policies that could show hardworking employees their value and make it easier for them to integrate that value into their personal and professional lives. Policies detailing vacation, expense reporting and work hours, for example, need to focus on value and flexibility – not control and risk mitigation.

Moving from “policy control” to “culture control” and creating a culture where employees feel valued respected and trusted can stimulate change. Start at the micro-team level by hiring trustworthy people and experiment with greater employee flexibility while maintaining high productivity standards. If someone takes advantage of the increased flexibility, discipline quickly. Almost always, the work will get done, often more effectively, if employees are empowered to define the parameters by which they do their jobs.

How do we recruit and develop talent? Recruiting in the “Age of the Worker” should be based on behaviors and experiences, not titles. Modern leadership should be more about influence than authority. Titles reflect privilege and compliance, while

today's employee wants independence, purpose and inspiration from leaders.

Knowledge and transparency influence millennials more than authority. Millennials want the convenience and flexibility to learn and form their own opinions – not told what to do or think. Most adults crave knowledge, respect and trust, but some generations are afraid to express it. As the younger generation sought more convenience, access and knowledge that would allow them to begin experimenting with their own investment strategies, the robo-advisor gained popularity. Today's executive with a title inside the bank may be viewed as more powerful and knowledgeable, but in reality, the person designing the next financial technology solution is often more influential.

Purpose-driven people are not motivated by titles and want to be valued, involved and heard. Organizations need to hire for skill and inspiration. Most jobs do not require superior intellect to ensure success – they require desire, creative thinking, empathy and drive. Augmented technology can be utilized

to analyze recruits, identifying experiences, mindset and employees with a willingness to learn and grow.

Beyond recruiting, organizations must consider training, including with the use of digital tools. Investing in employees' growth helps retention rates because they feel valued. Leaders must constantly transform the value proposition as employees evolve.

People are an organization's greatest asset. Systemically build an employee value proposition and allow employees to influence this process. Instead of waiting until an employee leaves to ask "why," conduct "stay" interviews to gain insight into their desires and needs. For example, my company, SEI, conducted stay interviews, giving 61 private banking employees a voice through the comfort of anonymity. Before the stay interview process, flexibility was not broadly encouraged. Employees indicated that "opportunity" and "flexibility and autonomy" were the top reasons they stayed. The team began encouraging more flexibility while also increasing exposure to opportunities.

Eighteen months later, the team experienced 90% retention of the original 61 employees – and grew significantly beyond that as the culture attracted new talent.

Organizations spend a lot of time building and marketing a customer value proposition, but those efforts fall short without engaged and inspired employees to serve them.

Banking is a personal, relationship-driven business that requires an enormous amount of customer trust in an organization and its employees. Employees expect the same from their employers. Take advantage of every opportunity technology and change offer, and experiment with policy and structure to improve the employee experience. Those organizations that do just may become the most sought-after employer on the market.

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