SUMMARY

THE FINANCIAL LABOUR MARKET OF THE FUTURE

INSIGHTS FROM DANISH COMPANIES

HANNE SHAPIRO FUTURES AND
FINANSFORBUNDET

TABLE OF CONTENTS

BEHIND THE RESULTS: INTERVIEWS WITH SELECT COMPANIES

Hanne Shapiro Futures has conducted interviews with the following companies: Bankdata, Danske Bank, Jyske Bank, Nykredit, SimCorp, Sparekassen Kronjylland, Spar Nord Bank and Tryg Forsikring. The cases were selected based on a desire to reflect the diversification characteristic to the financial sector. However, the cases do not fully depict the diversity that characterises the financial sector and its value chain. For most of the companies, several interviews were conducted with both managers and employees. Josefine Boel Rasmussen from Finansforbundet participated in almost all the interviews. Virtually all interviews were conducted at the companies in question, except for a few interviews that had to be conducted via SKYPE or phone for logistical reasons. All interviews followed the same semi-structured framework, but the weighting of the individual topics varied. The interviews are not published but have formed the basis for this interdisciplinary analysis.

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Changes in the financial sector as a result of automation and digitalisation are not a new agenda. The speed of development in mobile technologies, automation technology, artificial intelligence, increased regulation, consumer expectations for 24/7 services, and new players in the market have led to greater pressure for innovation. The developments also create new opportunities in the form of new partnerships, new work organisation practices including new job profiles and new tasks, which can enable a new perspective on what it means to run a financial business now and in the long term.

The strategic choices and the direction of development financial services companies pursue are in no way uniform and the differences between the companies are not just a matter of size and capital. With the dynamics that characterise the financial sector companies need to re-envision what it means to run a successful financial company and thus how the future of the labour market, the future demand for jobs and skills could evolve.

6 TOPICS

In 2018, Hanne Shapiro Futures and Finansforbundet conducted a total of 31 interviews in 8 financial companies. The insights from the interviews are summarised in the report "Insights from Danish companies" and the summary provides a brief introduction to some of the topics that the many interviews give cause to address in the future.

1. A changing sector – new partnerships
2. Automation vs. Augmentation
3. Changes in how we work
4. New roles for HR and managers
5. Developments in skills needs and new job profiles
6. New ways of learning

DILEMMAS

The interviews with the companies raised several dilemmas relating to the future development and value creation in the sector. Some of the dilemmas are:

How will the financial sector utilise the potentials of robot process automation (RPA)? Customers want to feel like customer orientation is not the same as "doing it yourself" if they prefer personal service - even for less complex questions. How does the customer become aware that RPA ensures consistent service and quick response times, whether the customer is interacting with a bank digitally or is physically present? And how can RPA support the development of jobs and cooperation to the benefit of customers, companies, employees and society?

How will customer access to financial services look? There are unanswered questions about how to create and maintain proximity when the trend is that customers visit banks less and instead interact digitally.

What will PSD2 mean for the development of business models? There is also a dilemma in the role the banks' data centres can play if IT infrastructure moves up into the cloud and becomes cloud-based banking as a service solution.

Can financial companies compete in technology at all? It will require massive investments if financial companies are to compete in technology, and the question is whether it is a realistic option or if they should instead focus on competing for customer confidence primarily through their financial services and sound advice.

What happens to the promise of customer proximity? If financial services develop in complex networks or financial institutions become 'marketplaces'/ecosystems with 300-400 companies, we may have to redefine the nature of customer relations, particularly when customer service is becoming far more data-driven and our ways of interacting create new forms of trust-based relationships.

What societal role can and will the financial sector play in the development of Danish society and a more digital economy? The financial sector could potentially help drive technological innovation, growth and the maturation of fintech companies and other tech companies. The financial sector could likewise play an active advisory and financing role in the digital transformation of small and medium-sized companies in Denmark that are laggards in their digital transformation.

How will employees in the financial sector ensure that they have the competences that will be relevant and in demand in the financial sector of tomorrow? Particularly when managers can see the overall contours of the labour market of tomorrow but admit that the steps along the way may be uncertain.

TOPIC 1

A CHANGING SECTOR – NEW PARTNERSHIPS

Digitalisation has brought many new players and business models to the field. PSD2 is one of the driving forces behind the development and opportunities for collaboration with the many new fintechs as well as new competitors such as Facebook, Google, and Alipay.

The digital transformation impacting financial services companies right now involves major changes in business models and new ways of accessing customers.
The strategic issues for the companies include:

- When can customers get service? With increasing expectations for 24/7 customer service.
- From where can a customer access service? From home, while travelling, from the office, abroad or from a small branch. Using an old computer, a tablet or a smartphone?
- What topics does advice cover and how personalised is the advice to customer needs and in what areas?
- Who will service the customer and how? Robots, people or a blended solution? Do you have a permanent advisor throughout your life, or do you have varying specialist advisors?

A few years ago, the dominant story was that fintech would disrupt the financial sector. However, it turns out that fintech companies are increasingly entering partnerships with established financial players because they can help banks overcome some of the strategic challenges relating to new service demands. Fintech companies often offer a customer-oriented solution to a very specific part of the bank's service portfolio. For example, this could be in payment services or budget overviews. Fintech companies' business models are often based on user-friendliness and accessibility for the customer.

How financial companies choose to enter partnerships with new players is a matter of strategic choice – and whether the banks view them as classic subcontractors or consider them experimental development partners where they through co-creation can develop new customer centred solutions and products. Put simply, it also has to do with whether the banks choose to purchase expertise and innovation from outside or choose an open innovation model.
An internal potential barrier to new partnerships is the hesitation to invest and to experiment. The actual benefits in terms of open banking and partnerships with fintechs cannot be seen in the bottom-line up front, and it can be a challenge for executive boards and boards of directors to allocate capital and resources to new fintech solutions when income currently comes mostly from products that are not digital.

Here are a few examples of how companies can engage in partnerships in different ways:

EXAMPLE: TRYG

The insurance company Tryg is opening to third-party partnerships in a model where seven entrepreneurial companies in fields like blockchain and artificial intelligence come together under the wings of a new "training programme" at Tryg. The programme was developed in collaboration with the consulting firm Rainmaking. The companies were selected based on the perspective that

they represent know-how in technology fields that are of interest to Tryg and where there is potential for real partnerships later on.

EXAMPLE: NYKREDIT

Nykredit is one of the companies that has made many strategic considerations on what the new open partnerships mean in practice, though they are still in an early phase. They view partnerships with fintech as an opportunity for a strategic "fit" that matches some of Nykredit's challenges. Nykredit is conscious of the dream that lies at the heart of young fintech companies and the products they have worked on. It is not just the technology or service that Nykredit potentially invests in, but also the team behind the idea. In this sense, they view partnerships as a model for co-creation that can support the fintech company's continuing development and meet some of Nykredit's needs at the same time. However, Nykredit believes fintech companies have to reach a certain level of maturity if investments are to succeed.

EXAMPLE: JYSKE BANK

Jyske Bank is one of the financial institutions that has sent clear signals to the market that they are entering a whole new era, also regarding open banking through cooperation with fintech companies. Amongst others, Jyske Bank cooperates with the robot advisory company Munnypot. Jyske Bank's version of Munnypot was developed in collaboration with an English fintech company.

EXAMPLE: DANSKE BANK

Danske Bank has so far invested in developing new digital solutions in-house – including through establishing the development department Mobile Life. Danske Bank has now opened up to external cooperation with fintech companies. In 2018, Danske Bank entered a partnership with the Swedish fintech company Minna Technologies to offer Danske Bank's customers access to a 'subscription service solution' that creates an overview of all subscriptions and over time creates an opportunity to save time and money by giving customers a better overview of all their subscriptions.

DATA CENTRES AND TECHNOLOGY INFRASTRUCTURE OF THE FUTURE

Many of the interviewed companies question the future role of data centres in the development of the financial sector ICT infrastructure. The emergence and growing strategic importance of platform business models even for smaller financial institutions could reshape digital infrastructure services in the sector. There is no consensus on the role data centres will potentially play in the future. Some companies want data centres to undertake the developments in financial technology and service solutions, while other companies only want data centres to deliver basic infrastructure which the banks can develop on top of and thus differentiate themselves. For example, Bankdata has taken a new path by entering a partnership with a French development company to develop and implement a capital market platform to use for trading currency options. The solution permits individual financial institutions that own Bankdata to develop independent solutions on top of the platform. The question is whether there is a need to rethink the role of data centres, particularly in light of digitalisation and technology becoming ever greater competitive factors.

A FUTURE SCENARIO

One of the questions is whether financial companies in the long term will evolve as digital marketplaces connecting a wide variety of companies in supplying a wide range of services. A new financial ecosystem where lots of companies provide parts of the service. And the question is whether even the largest players such as Danske Bank and Nordea will have sufficient resources to create an attractive ecosystem as a response to global tech providers. This could potentially be a task that will require a larger "Nordic model". If the Danish financial sector is to compete against the tech giants, it will require massive technological investments. It may be relevant to explore Nordic cooperation as a response to the risk of monopolisation, which could be a consequence of Google, Amazon etc. investing in value chains in order to get access to data.

TOPIC 2

AUGMENTATION VS. AUTOMATION

For a long time, financial companies have invested intensively in digitalisation, automation, robotization etc. Each in their own way and each with their own strategic motives and arguments for choosing between many new digital opportunities

Compared to foreign development trends, digital transformation in the (select) Danish companies has mainly focused on the benefits of automation. Automation has consistently been used to drive efficiency, standardise key processes, and increase consistency in customer service across channels and branches. The goal of automation is to completely or partially take over a routine task or a process, which makes sense when the same task is performed over and over again. Augmentation is based on systems that are designed to build on top of tasks performed by people. For example, this could be seeing patterns in data that we cannot distinguish on our own. It could also be an intelligent assistant that helps us make the right decision and thus helps 'expand our own intelligence' and increase the quality of advice to a customer.

AUTOMATION REQUIRES STANDARDISATION

A financial institution like Sparekassen Kronjylland is in the process of implementing typing robots to take over part of the administrative work of setting up customer accounts, meetings and loans. In addition to saving money, the savings bank's goal is also to allow customer advisers to spend half of their time with the customers instead of the 35 per cent they do today.

Implementing typing robots requires mapping and standardising workflows and processes across offices, branches and functional areas. In a bank with much local autonomy and a strong branch culture, it is a particular challenge to design automation processes so that the insights of local branch employees are taken into account, so they are not left feeling that they have less autonomy and that the RPA process has encroached on their professionalism and "way of doing things". It is absolutely essential that planning and implementation of automation does not create an experience of 'them and us'. Therefore, it is crucial that management clearly communicate the vision for automation, and that employees have a voice in the process mapping. It is also important for management to be clear about the goal of automation. Is the plan for automation to reduce the headcount, or is the strategic aim through automation to free up resources for a group of employees, who can then take on more complex and customer value adding tasks?

IMPLICATIONS OF STANDARDISATION

Automation, process mapping and standardisation are also organisationally transformative processes that have met resistance in places where management has failed to communicate the implications of a standardised workflow. Employees in direct contact with automated processes are the real experts and must be meaningfully involved in the process. This must not be reduced to an IT project implemented top-down, but rather regarded as an organisational and development project.

JYSKE BANK AND MUNNYPOT

But analysis of the future of the labour market also shows that digital transformation is about much more than just the opportunity to automate. Digitalisation can bring other forms of value added than efficiency gains. New technologies can also enhance quality and create innovation in a business field.

For Jyske Bank's customers, the partnership with the English fintech company Munnypot has created a real alternative to having money sitting in a savings account. The underlying technology enables the customer to set a goal for their savings, whether they want to save for a kitchen renovation or travel the globe. Once the customer sets the goal an underlying "savings engine" utilises artificial intelligence to calculate the risk profile and provides the customer with reports of how close they are to their goal. Munnypot differs from other robot investment solutions, as it gives the customer greater flexibility and increased competence:

1. The customer can complete the entire transaction via an app
2. The customer also has the opportunity to chat
3. The customer can use Munnypot in combination with advice from the bank's advisor e.g. if a customer is completely new to investing

Solutions such as Munnypot thus have both automation and augmentation potential, entirely depending on the bank's chosen strategy. A bank could choose to let Munnypot be a "do it yourself service", or they could pursue a double strategy that addresses opportunities for automation and simultaneously strengthens both customer and advisor expertise. The goal may be to create a better product, while also creating new opportunities and tools for the company's employees so they can provide better service.

LINK BETWEEN PEOPLE AND TECHNOLOGY

"Digitalisation is not just about streamlining. The key strategic issue is how people and technology can create unique solutions and business development together". These are the reflections from an HR employee at Bankdata. Bankdata still plans to recruit highly qualified staff e.g. in software development, but they will also more frequently search for applicants who can work in an interdisciplinary manner and who possess strong relational competences. For example, one of their recent hires is a trained engineer who has also studied psychology. In the future, understanding technology will be comparable to speaking English. You have to be able to understand technology and the techniques behind it. But in order for technology to supplement human expertise, there is a need for employees who are curious about the opportunities in the link between people and technology.

TOPIC 3

CHANGES IN HOW WE WORK

All of the interviewed companies were in the process (to a greater or lesser extent) of changing their work organisation and job roles as a result of an agile transformation. For employees who are used to fixed and well-defined roles, working based on agile methods can be quite a stretch and can require entirely new skills.

The strategic shift towards what is called 'agile transformation' is particularly the result of the growing implementation of robot process automation (RPA), plans to utilise resources and data across organisational silos and hierarchies, changing regulations, including as a result of PSD2, and partnerships with fintech companies. The agile working method was introduced to enable more customer-focused work practices and to ensure faster development cycles. The interviewed companies are all at very different stages of very different implementation. An agile set-up isn't just about changing work methods – it is also about a shift in mindsets and culture. Agile teams are ultimately a break with the former silo-divided organisation diagrams and a hierarchical management structure. Therefore, it is a strategic choice of a new management and development philosophy where there is room to experiment and learn.

The agile setup leads to much more autonomous teams and planning, and decision-making tasks are delegated to the individual teams with well-defined roles such as Product Owner, SCRUM Master and Agile Coach. Therefore, agile methods are also a cultural transformation process. Altogether, this changes the way work is organised, and employees are expected to take greater responsibility and to be proactive towards opportunities for development.

FACTS: WHAT ARE THE IMPLICATIONS OF "AGILE"

Agility is a widely used term and we all have many opinions on what it means to be "agile". But work based on agile working methods is actually a very rigorous method, most often found in software development and IT departments. With agile projects, the focus is always on what in the project provides the most value for the company or the customer. Tasks are then constantly being prioritised in the agile project team. Unlike waterfall projects, the entire project process is not planned and described at the start. The agile project team works in "sprints" with short deadlines and a focus on ongoing evaluation and reprioritising in close cooperation with the development team and the customer.

They meet in front of the "chalkboard" daily and discuss the progress in the project and write down tasks. The agile principles are not new, but it is relatively new that so many financial companies are looking into the methods. There is no "just" starting to switch to agile.

Work based on agile methods requires adapting to the specific organisation, workplace and culture.

IMPORTANCE FOR EMPLOYEES AND MANAGERS

Agile working methods also create new employee and management roles. Employees have a more proactive role where they work across the organisation. Employees also have to continually divide and prioritise tasks – and this happens within the agile team. For many of the companies, this has led to higher job satisfaction for employees, though some are challenged by the new working methods. Working in a very open feedback culture with close cooperation and high transparency around solving tasks can be a challenge for some. Working in an agile setup requires strong relational skills.

It also involves a significantly different management culture, where individual managers have a greater responsibility for the ongoing development of the employees. They have to be able to promote both curiosity and comfort with change. The manager has to thrive in a dialogue culture with a focus on team performance, cooperation, fast decision-making and independent employees and teams.

CASE: DANSKE BANK

At Danske Bank, employees are increasingly starting to work in interdisciplinary teams between Business Development and IT. For example, in the private customer area, Danske Bank sees opportunities for the development of new products and solutions to be increasingly based on co-creation with customers – where customers are directly involved in development by listening to their experiences and needs. The goal is for agile methods to support strategic targets to increase the quality of the customer experience and create a customer-focused company.

CASE: SIMCORP

SimCorp has been through a transformation process with focus on agile methods and the organisational implications of a shift in mindset. SimCorp has traditionally worked based on classic waterfall methods, such as PRINCE II. SimCorp found that products were becoming more and more complex and was also facing demands for shorter development times. The Development Department with 600 employees therefore decided on a dramatic organisational change. They "blew the organisational diagram to pieces" and switched to the SAFe method (Scaled Agile Framework). Development employees now work in many smaller teams and in 'sprints' over 14 days. External coaches have assisted SimCorp in the transformation and there has been a strong focus on upgrading employee skills. This has also created a new leadership role at SimCorp where coaching is a key skill and the focus is on the development needs of the employees.

CASE: BANKDATA

BankData is well on the way to a more agile setup. They started back in 2015 and there are currently about 120 agile teams. The switch to agile in BankData goes beyond "IT" and support. HR and management have also implemented new working methods. Part of the switch to agile at BankData involves ongoing evaluation interviews with employees, where they set a goal with their manager and experiment towards a learning goal: What activities do your employees have over the next 14 days and what should we focus on in solving the tasks?

TOPIC 4
NEW ROLES FOR HR AND MANAGERS

Development trends and changes in the financial sector also affect how HR needs to develop. When companies transform themselves, HR has to do the same. HR has the potential to become a strategic player in company business development.

As development is not uniform, companies must make important choices in terms of strategies, business model etc. with regard to how they relate to the ever-changing sector, customer expectations and regulatory requirements for financial companies. Formerly, many of the financial companies were driven by product quality, excellence in execution, a closed development universe and a hierarchical management style – today this agenda has changed, and financial companies are transforming in order to redefine what it means to run a financial business.

As a result, companies are undergoing a transformation that relates to their company culture and management of the company. These changes lead to reorganisation, streamlining of processes, the need for specialist functions, and more agile work processes. This new organisation and change of culture create new demands for both management and HR.

HR HAS TO THINK BUSINESS STRATEGY

When companies transform, HR has to transform too. We continuously educate ourselves throughout life, change jobs more often, take periods of leave, work freelance and move in and out of the labour market. This is the premise under which HR has to work. This also provides a new potential role for HR, with the opportunity to become even closer to the business and take on a lead in the alignment of different business areas. Therefore, HR can potentially become a strategic coaching partner and help drive change in the organisation.

Several interviewees, including SimCorp, Danske Bank, Tryg Forsikring, Jyske Bank and Nykredit, point to the need for a shift in traditional HR perspectives and methods, such as staff development interviews once a year, a semi-annual follow-up, fixed budgets for education etc. Instead, there is an emerging need for HR to ensure the right alignment between people and technology within companies. HR therefore has to be able to provide much more complex strategic support to the rest of the organisation than it does today.

EXAMPLE: NYKREDIT

In Nykredit, an HR partner has been deployed to each regional director, acting as a strategic right hand and assisting with analysing and defining skills needs based on the business strategy and the individual department. A closer link must also be forged between business development and employee development, and in Nykredit the HR partner model has to help enable the organisation to achieve "organisational readiness".

The example from Nykredit underscores that it is rare to expect all regional directors, managers etc. to be able to personally determine and designate which employees and skills they will need in order to achieve the goals of the overall business strategy.

NEW MANAGEMENT ROLES

Virtually all of those interviewed pointed out that digital development, as well as developments in work organisation and working methods based on agile principles, is about leadership and the new role of managers as strategic development coaches for employees - in addition to their responsibility for strategic follow-up and implementation. This has a lot of consequences for the organisation and monitoring of employee development. The manager's role changes into a form of development coach. Managers have to be able to support interdisciplinary work, which requires managers to be able to coach the individual employee. At the same time, managers also have a greater role in managing different types of employees with different skill profiles, both in terms of individual development and the manner in which competences can be further developed and contributing to the realisation of the business strategy.

EXAMPLE: SIMCORP

SimCorp has created a new management role where coaching skills are key skills. As a consequence, the annual staff development interview with semi-annual follow-up interviews is no longer used. Once a month, employees have a dialogue with a Strategy and People Development Manager who, in the role of coach and using coaching methods, discusses the development needs of the individual employee.

At three-month intervals, information is gathered on employees' collective development needs and how these can best be met through various forms of development, upgraded qualifications and learning.

EXAMPLE: BANKDATA

Bankdata works on the principles of GPS - Grow, Perform, Succeed, which is the basis for experimental thinking about employee development and coaching. This is not about formal training, but rather the tasks the individual will perform for the next 14 days and the ways learning and problem solving can reinforce each other. Their perspective is: "Management as a catalyst is far stronger than course catalogues." The learning principle is based on 10 percent formal training, 20 percent coaching and the remaining 70 percent is on-the-job training.

> HR is a strategic driver for getting the organisation where we are going. We are the pilot boat that helps the ship move forward"
>
> Interviewee, Nykredit

TOPIC 5
DEVELOPMENTS IN SKILLS AND NEW JOB PROFILES

We've all heard the predictions: Robots are coming, and we all have to go through serious IT training if we want to keep up. But the predictions for skills needs in the fourth industrial revolution are hardly just about IT technical skills.

Finansforbundet's report, Udviklingstrends i den finansielle sektor (Development Trends in the Financial Sector) (Hanne Shapiro Futures, 2018), shows very clearly that we need to get away from just talking about IT skills and instead talk about skills for a digital workplace, where technology will form a far more integral part of work in the future. The 'skills of the future' are thus a question of how we can bring our professionalism even more into play through new technological tools and opportunities. Therefore, digital skills have to be combined with what we already know and can do – and we have to learn to use technology and data to solve our professional challenges in a meaningful and effective way. We also have to use our professionalism to stay critical of the development and implementation of digital solutions.

We know there will be a demand for technical skills. But we also know there is a very clear demand for personal and social skills, such as communication, an interdisciplinary approach and customer insight. To meet the skills needs of the future, it is crucial that we now create the right methods, processes and development opportunities that will enable us to keep meeting the needs that come up. There is no doubt that continuing education and the willingness to try new things are extremely important.

"I don't have the answers, but we're working on it. I feel a little like a precise mapping is impossible, but my goal is for us to be able to map a perspective, a method and a process where we're constantly holding up a mirror and asking if we have the 'organisational readiness' needed for a changing world? And this is very much about skills."
Interview person, Nykredit.

JOB CHANGES, NEW ROLES AND SKILLS REQUIREMENTS

To be able to shape their own future, it is important for an employee to have an understanding of the trends that impact the financial sector and adjacent sectors such as IT and insurance. This applies to knowledge of both technological and regulatory trends and developments in business models. It is clearly an advantage if employees are given the opportunity to try/experiment with some of the new technologies and do case-based work with some of the new issues and products. This can help promote curiosity and downplay having to be a computer science expert to work with new technologies. Here is a list of the skills requirements that the interviewees pointed out:

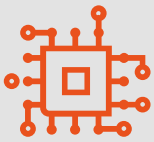
Financial skills. Financial professionalism is no less important in a digital world. Business insight into what it means to run a financial company, its products and services, and insight into customer behaviour, are still very crucial.

SKILLS OVERVIEW

This overview illustrates and summarises key skills in a digital workplace. The skills are divided into financial, social, cognitive, digital and personal skills – and skills that are typically demanded across job functions.

Which skills are in demand when and in what combinations depends on the job profile, the level of specialisation and the company. And you don't have to be able to do everything.

DIGITAL SKILLS



- Data and cybersecurity
- Cloud-based solutions
- Banking as a service
- Introduction to AI
- Machine learning
- Data understanding
- Algorithms
- Programming languages such as Java, Python, R
- System integration e.g. Mainframe-Java
- UX Design
- API-based platform business models
- UIX - User Interface Design (omni-channel solutions)

COGNITIVE SKILLS

- Interdisciplinary complex problem solving
- Analytical skills – Customer journey
- Agile methods and culture
- Design thinking
- Technology understanding
- Digital innovation
- Strategic thinking
- Digital business models - Service Design as a method
- Process mapping basis for RPA (robot process automation)

PERSONAL SKILLS

- Curiosity
- Being able to handle ambiguity
- Being proactive
- Empathy
- Learning skills
- Openness to other perspectives
- Being able to handle change
- Taking charge of your own development

SOCIAL SKILLS

- Being able to relate to customer needs/ situation
- Communication in context
- Being able to give and receive feedback
- Customer journey/ touch point
- Cooperate physically and virtually
- Customer archetypes
- Being able to read organisation and culture
- Virtual and physical communication – create trust and intimacy – in an omni-channel environment

FINANCIAL SKILLS

- Financial business understanding
- How do I/we create added value
- Customer behaviour and customer segments
- Compliance
- Product/service understanding
- Customer involvement in business development
- Proactive, data-driven personal advice
- Able to interact with technologies in customer meetings - physical and virtual
- Financial service design in a virtual and physical world

- **Having financial business understanding – how do I and my company create added value?**
- **Having insight into customer behaviour and customer segments, choosing channel strategies, customer psychology, digital archetypes and personas, customer involvement in business development**
- **Compliance, cybersecurity and risk management**
- **Proactive, data-driven personal advice. Data is becoming a tool for creating more personalised advice. Trust and relationship building is still key.**

Communication. Whether you're in back office functions e.g. working with system integration and mapping processes as a basis for robot process automation or working in developer functions, communication skills are more and more important. This is because employees are increasingly expected to be able to participate in and create added value in shifting teams, where each employee has different professional profiles and skills.

- **Being part of interdisciplinary teams across traditional professional hierarchies and silos**
- **Curiosity and openness towards other colleagues' skills**
- **The ability to convey a deep subject-specific problem so that others can understand it**

Data Understanding. Because financial institutions are becoming significantly more data-driven, it is important for employees to have an understanding of data - regardless of their job functions. For example, this applies to both structured data (database extraction) and unstructured data, such as communication on social media. Data is becoming a tool for optimising, developing and transforming core processes and the foundation of the business itself, and data will very likely become the basis for more proactive and personalised service advice in various forms of offers of "financial health checks" for customers.

- **Ultimately data understanding is about being able to ensure data quality based on professional skills so that there is no bias in the data, as algorithms are increasingly being used e.g. to decide on loans for home purchases.**
- **The development in big data and artificial intelligence is based on mathematics and areas such as algebra and statistics. For example, knowledge of visualisation methods such as Tableau.**
- **Specialisation in computer science? Programming in e.g. C++, Javascript, Python, R. It helps to have a minimal understanding of these programming languages to better understand and participate in the development of digital service solutions.**

Customer understanding. All of the interviewed companies emphasised the shift from a business focus (basis of the products) to a customer focus. There is a growing realisation that not only do customers vary in their wishes for the way they engage with financial institutions, but this also varies depending on context. To be able to support the customer-centred bank, it is important that all employees have an understanding of what characterises good customer experience, regardless of the channel the customer uses to engage with the financial institution. Understanding channel strategies and communication from a customer touch point perspective and being able to communicate with the customer through different platforms are key digital competences to enable the customer's experience of quality service

- **Skills relating to online advice**
- **Communication and customer psychology and how to create a presence in a virtual meeting.**
- **Methods taken from anthropology in the form of design thinking, understanding of customer 'touch points', omni-channel strategies and the customer journey.**
- **Knowledge of personas or digital customer archetypes and the digital/physical universe of getting pictures and language, how to best serve different types of customers in different life situations.**

Working agile. For the vast majority of employees, it is useful to get insight into agile methods, both purely methodologically and in terms of the different roles, but also to get insight into the underlying cultural, organisational and management shifts embedded in agile methods. The methods also have consequences in the form of employees being expected to be more responsible for their opportunities for job development. For introverted employees who may have been performing analytical or operational tasks for many years, it can be a stretch and can be perceived as having to sell yourself as a commodity.

THE T-SHAPED EMPLOYEE

There are many examples of how new or changing job profiles are emerging as a result of the increased use of technology. All of the interviewed companies stressed the importance of financial skills within one or maybe two domain areas, but also that employees need a fundamental understanding of technology - and that employees are encouraged to be curious about the potential of new technologies. This is about development with an increasing need for T-shaped skills profiles.

Employees with a T-shaped competence profile have knowledge and insight in several relevant areas and a deep expertise within a few areas of specialisation. In an agile working culture, there is a need for T-shaped profiles, as employees have to have insights into each other's domains and bring this into play in an interdisciplinary project. A T-shaped person thus brings their own deep expertise into play in the context they are part of. As an interviewee from Sparekassen Kronjylland put it: "A combination of people who understand the technologies but also have the financial expertise. That's what I'm missing. And I can understand what I'm doing and communicate it: I'm not just cutting stones but building a cathedral".

> The worker of the future has to be able to form relationships. You can't move that to China. I don't hire people because of what they've learned – but because they show a desire and willingness to learn. Before, a talented employee was someone who got a 13 in mathematics – but today it's not a subject that lasts a lifetime."
>
> Interviewee, Jyske Bank

TOPIC 6
NEW WAYS OF LEARNING

The skills of the future also relate to new ways of acquiring knowledge. This is due in part to the fact that they relate to far more than just technological skills. There is also an increasing need in relation to cognitive and social skills. This applies to the ability to communicate, cooperate, and be creative and solution-oriented. These types of skills also require new ways of learning and training as they are difficult to learn through traditional standardised teaching

Smart expressions such as "action-based learning" and "gamification" (game-based training) are both new concepts that stand out when we talk about on-the-job training and informal learning. "Is the 9 to 5 dead?" is also a frequently asked question. Throughout the industry, companies are demanding practical on-the-job training and situational training at work instead of away from the workplace.

If employees are to gain an understanding of developments in the sector and adjacent sectors – both in terms of technological development and the development of business models, customer behaviour etc. – it can be an advantage to work in a case-based manner, in order to more easily relate to day to day practices. This makes it possible to engage employees in a new way so that they learn while contributing to developments in the company. Employees are encouraged to experiment with new technologies to find new ways to develop for example customer service.

EXAMPLE: ATLAS BANK

Nykredit has implemented a comprehensive training program for their managers and over the last three years they have created a management academy closely linked to Nykredit's strategy - Winning the Double. Part of the training takes place in a virtual bank, Atlas Bank, with the goal of making the training authentic relative to the reality they will face when they return. The virtual bank simulates managers' everyday tasks. In the first phase, the training covers basic management disciplines that support the new leadership role e.g.: coaching, feedback, communication. About 400 managers have gone through the same training. The second phase of the training focuses on performance management, which is about being strong in both their KPIs and KBIs (Key Behavioural Indicators). KBIs set goals for behavioural changes that will create the results defined in KPIs. Senior management is present throughout the course, partly to signal the priority of the initiative but also to create a framework and room for dialogue.

"We are of the opinion that you learn a lot under pressure, but you learn even more when you are under pressure and have fun. We build a virtual bank where we test everyday things in a different way, but we definitely bring everyday tasks into the bank. We want to teach managers that you have to set clear goals and follow up on them. But you also have to be able to set the direction of the work with behaviour in daily life".
Interviewee at Nykredit.

EXAMPLE: DBS BANK

One of the most digitalised banks in the world, DBS in Singapore, heavily invests in employee development and not just through formalised training. DBS has cut down on formal training as we know it and has instead increased the level of informal learning through hackathons just for employees. Here, the employees – in

facilitated processes – work with challenges and issues central to the bank's development and solutions relating to specific customer groups. Employees are trained in agile project management, creative problem solving and customer journey methods. The bank has recently launched a five-year development project titled DBS Horizon. It builds on the e-learning platform SABA, a solution that utilises artificial intelligence to:

- **Customise learning to the individual employee**
- **Create networks between employees**
- **Provide recommendations for relevant online training for individual employees.**

EXAMPLE: COOP

With virtual reality training provided by LearningBank, Coop puts new employees in situations where they have to make decisions and reflect on their own behaviour in an everyday situation. Through VR glasses, the employees also learn about customer service and how to solve specific tasks.

INSIGHTS FROM DANISH COMPANIES

Hanne Shapiro started her own company, Hanne Shapiro Futures, in September 2017 after many years at the Danish Technological Institute - first as a Centre Head and in recent years as Head of Innovation. For many years, the focal point of Hanne Shapiro's work has been how we can shape and utilise technology so that job development, strong customer relationships, social responsibility and competitiveness go hand in hand.

For Hanne Shapiro, it is essentially about strategic choices and seeing people as a resource. Time and again, analyses have shown that Denmark has a unique DNA when it comes to partnerships and adopting new technology. This is a skill that is difficult to copy. It doesn't come on its own, but is created by strong and trusting relationships. The same skill is crucial for being able to seize opportunities in new digital technologies such as machine learning, robot process automation, blockchain etc. And it is the reason Finansforbundet has started a development project to form a solid starting point for shaping the digital future together with our partners.

IN THE SAME SERIES

Hanne Shapiro Futures, Development Trends in the Financial Sector

The report Insights from Danish Companies was prepared by Hanne Shapiro Futures along with Finansforbundet
2nd edition, May 2019

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