

FS in Focus: Transforming workforces and unlocking talent

Alex Gurr: Hi everyone. Welcome to the latest edition of FS In Focus. In last month's edition, I spoke about the fact that we would put a bit of a lens on the future of work. And this month I'm delighted to be joined by Laura McKim, who's a partner in our People, Talent and Change practice and works extensively with financial services clients to drive large scale people transformations. Laura, it's brilliant to have you here. Thank you.

So Laura, future of work. It's been a real change in the market over the last couple of years. What are you seeing clients focussed on as they look at the skills and the talent they need to develop for the future?

Laura McKim: Yeah, I mean, Alex, it's a great question and to be honest we see a huge amount of demand from the technical requirements, digital transformations, things like generative A.I., What do I do with that? How do I respond? There's been a great piece of research recently by the Financial Services Skills Commission that has sort of broken down the top skills in demand. And what we see from that is the obvious ones around technical capability, but also secondary to that and something which we know to be true is building those behavioural skills. And actually, that's often things like how you work with other people, how you collaborate, how you lead. And that really gets the organisation functioning effectively. So, it's very much two parts, and wrapped inside all of that though is the need for organisations to become human centred. So although it's not a skill in itself, what it does is give people the home to build those skills, invest in their growth and build talent and capabilities.

Alex Gurr: So technical skills as well as softer skills being equally important.

Laura McKim: Exactly that. Yeah. And actually, you know, often the technical is given the priority, but we recognise really clearly that both have equal value. And there's clearly a huge amount of talent that exists within financial services organisations already. What are you seeing clients do to develop and nurture that talent?

The workforce, you know, the way I always think about it is, the workforce itself is the talent and everybody has a huge amount of potential. They're often really loyal to the organisations they work for. Quite high tenure in many cases. Some of the banks that we're working with have had people there for their whole careers. And what that gives you is a workforce who is really sort of bought into organisational purpose and aligned with the direction, but you've got to kind of work hard to understand what motivates them, what

their career priorities are, what skills they want to build, and then match that to your business strategy and then the skills that you know you need to deliver that in the future. Ideally, when you can see both of those things, you can understand and build a pathway forward for how you reskill and upskill those people. And it kind of funnels your business growth and your engine because when that workforce is ticking, you know that you can deliver the outcomes you need.

Alex Gurr: And are you seeing the drive for new skills and potentially people with different talents to those that organisations have traditionally looked for, driving a different approach?

Laura McKim: Yeah, I mean I think the whole scenario is much more competitive. So people are competing, you know, for data scientists is the classic, Alex, that every client everywhere wants and it means that you've got to get smarter about what your value proposition is for those individuals, what it feels like in the organisational culture to work for you, how you, sort of, respect and respond to different pay structures and different kind of commercial structures they might be used to working in, and it's requiring, I would say particularly financial services organisations who've maybe had their pick of the crop in the past to work a little bit harder now because the sort of landscape of attraction has changed.

Alex Gurr: Yeah, it's vastly more competitive at the moment, isn't it?

Laura McKim: Yeah.

Alex Gurr: And how are you seeing clients balance the short term need for operational efficiency and cost reduction in the current market versus the long term need for talent development and attraction?

Laura McKim: Yeah, I mean, it's a really difficult challenge to get right because you recognise that organisations are operating in really tough financial climate. They are looking to save costs, they're looking to, you know, deliver operating profit that's growing. So this can't be done in isolation. It has to be pragmatic and realistic. I think truthfully when you look at what organisations are doing with their workforces, it's about understanding what the talent is you've got and making really considered decisions about what you need for the future. It's about thinking longer term rather than just in the next three months to deliver your quarterly profits. It's thinking about, you know, in one year, two years, maybe even three years, what will I need to drive my business forward? And actually then you get into lots of great opportunities to think about adjacent skills, reskilling, upskilling, where you can look at individuals you have across your organisation, really loyal to your brand, really effective,

really high performing, but actually what are the skills they've got now and how might we invest in regrowing those and changing them for the future.

Alex Gurr: I love that. Thank you, Laura. And what would be the final piece of advice that you'd offer organisations and leaders within those organisations?

Laura McKim: I mean, I think it all comes back to business strategy being really clear about what that is, really clear about, the implications for your workforce and then really understanding your people and what makes them tick and joining all those things together to get the outcome. And I guess I probably reflect that transformation is structural, yes, of course, the skills and capabilities and the hierarchies, but also cultural. So remembering to take people on the journey, winning hearts and minds, helping them see the future vision and what it might be in terms of opportunities for them they hadn't considered before. And for me, that's a sort of non-negotiable. And finally, I'd probably end by saying, you know, kindness trumps all in terms of how you treat your workforce, how you listen to them, how you engage them in the process, and how you treat them with respect and dignity when you're changing the way that they might work. We see so many times that that's what really leads to people wanting to stay at an organisation and being attracted to join and work there.

Alex Gurr: I really like that using heart and head to drive sustainable change.

Laura McKim: Exactly that.

Alex Gurr: Brilliant. Thank you so much, Laura. It's great to talk to you.

Some brilliant insight there from Laura. Hopefully useful for all of you that are watching. Key takeaway for me is that if you continue to put people at the heart of your transformation, you can't go too far wrong. It's that balance of delivering short term outcomes versus building for the future and people being right at the very heart of it to deliver sustainable transformation being absolutely key. Thanks for watching and stay tuned for next month's FS in Focus.

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