The future of talent in banking: workforce evolution in the digital era

Bank Governance Leadership Network

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VIEWPOINTS

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> *There is going to be digitization of the workforce in a way we have never seen before. In 10 years, probably less, we will have substantially fewer employees, and the ones we do have will be significantly different from what we have now.*
> —Director

Every bank is working hard to update its legacy systems and looking to technology to improve operating effectiveness and improve the customer experience. To do so, banks will need significantly deeper and broader technology expertise than they have today. Banks need leaders who understand the kinds of transformation that are possible and can manage change effectively. Emerging technology applications, particularly intelligent automation, are already changing the workforce and are expected to have an increasingly profound impact in the near future. A director said, *"We will not know what the bank of the future will be like until we feel our way there. It is clear, however, that one of the big governors of success will be our ability to bring in tech people and integrate them into the guts of the business."*

Previous Bank Governance Leadership Network (BGLN) discussions have explored various aspects of technology transformation. Securing and retaining talent has become essential to competing and innovating in this environment, as banks fight for skilled people not only with their traditional sector rivals but also against a new wave of competition from technology giants and start-ups. As the workforce changes and new skills become increasingly important, bank leaders are being forced to think differently about how talent fits into their strategy from the top down.

On March 8 (New York) and March 14, 2018 (London), BGLN participants met to discuss the future of talent in banking. Drawing on discussions from both meetings, as well as conversations with network participants in preparation for and immediately following those meetings, this *ViewPoints* synthesizes the key themes that emerged:

- **Technology and broader trends are reshaping bank workforces**
- **Banks are in the early stages of planning for workforce transformation**
- **Talent strategy has become a critical issue for boards**

Technology and broader trends are reshaping bank workforces

Technologies such as robotic process automation, machine learning, and adaptive intelligence are already beginning to have a significant impact on compliance, payments, and retail services, among other banking functions. Banks need employees with the skills to understand how these technologies can be effectively applied, and they need agile and adaptive workforces to navigate these changes.

Automation will have a profound impact on the workforce

"There could be a cliff approaching ... It's really the machine-learning aspect that has people screaming about the fourth industrial revolution."

– Participant

A recent report estimated that, over the next two to three years, machines will be capable of performing approximately 30% of the work currently done at banks.[1] Machines are especially effective at compiling and sifting through enormous swaths of data and analyzing contracts. Because of the scaling challenges and complications inherent in large, complex financial institutions, some participants have not yet seen a significant decline in head count or major improvements to efficiency. Yet many analysts predict that a rapid increase in adoption and impact is coming. Banks have long employed technology to automate aspects of their operations, but today machines or bots can observe how employees work and learn from them, often enabling computers to fully automate job functions in a matter of weeks.

A participant explained, *"It's a paradigm shift. You will see an exponential increase over the next couple of years. It only takes a few weeks to train a robot do a lot of what an employee does. There could be a cliff approaching."* The same participant said, *"It's really the machine-learning aspect that has people screaming about the fourth industrial revolution. The difference between this revolution and the last was that technology had a limit as to how much efficiency could be gained. But machine learning is changing that, and the bots will continue to chase humans up the IQ curve."* According to one major study, about half of all time spent in US occupations could be 64% to 81% automated by adapting currently demonstrated technologies.[2]

The automation of key banking functions has already begun. For example, the Australia and New Zealand Banking Group has reported annual cost savings of over 30% in certain functions, with over 40 processes automated, since 2015.[3] Leading applications of the technology include full automation of the mortgage payments process and of the semiannual audit report. One participant predicted that key aspects of trade finance, bond trading, anti-money-laundering compliance, and invoice payments were ripe for automation, as were functions like new-hire processing, expense reporting, and general-ledger. In one case, a bank reportedly reduced the account-opening process from three weeks to five minutes using intelligent automation. As another example, Goldman Sachs found that half of the tasks needed to prepare for an IPO could be done by algorithms.[4]

Automation will significantly reduce head count

A participant asserted, *"Most banks do not yet realize the impact automation is going to have, so they are ill prepared for change management. Intelligent automation will be the killer app. Forty to sixty percent of work in any bank is already done by computer systems; machine learning can automate a lot of the rest."*

"We are just nibbling around the edges on retraining. The conversation is not happening in most boards."

– Participant

Participants shared varying perspectives on the ultimate impact of automation on the size and shape of the workforce in banking. Some directors were not convinced that the net effect of increasing automation would be significantly smaller banking institutions. Yet other participants were adamant that we are only in the early stages of what will be significant reductions. One participant said, *"There are major redundancies planned in the next few years. Some banks are talking about 20–30% reductions in staff by 2020 or 2022."* However, these discussions have not yet reached the boards of some banks: *"We are just nibbling around the edges on retraining. The conversation is not happening in most boards."*

In 2000, the US cash equities trading desk at Goldman Sachs's New York headquarters employed 600 traders. Today, there are just two equity traders left; in their place, 200 computer engineers support automated trading programs.[5] This has eliminated thousands of hours of human work, previously done by associates typically earning around $326,000 a year.[6] In late 2017, Jon Cryan, then the CEO of Deutsche Bank, indicated that the bank would be sticking with its plan to cut 9,000 jobs—roughly 10% of its workforce—by 2020, citing the potential for more "machine-learning and mechanization."[7] The target for many banks in adopting automation, one participant observed, is to remove $500 million to $1 billion in costs.

Despite the progress, some experts are less enthusiastic about the current ability to automate complex jobs with machine learning. A commenter recently said, "There is so much [unrealistic] AI hype in the banking industry and banking execs are understandably confused … nobody can hand over, and probably for the foreseeable future they will not be able to hand over, 100% of their process to AI."[8] Separating hype from reality will remain a key challenge for banking leaders in the coming years.

Regulation could slow adoption

> *"There is cause for concern when it comes to banks quickly automating significant processes."*
>
> – Regulator

One of the few speedbumps to rapid adoption of automation could be regulation and supervision. Supervisors understand that technological change is coming and have been encouraging banks to use technology to increase the efficiency of regulatory compliance. However, some are wary of efforts to automate key functions too rapidly. One regulator said, *"There is cause for concern when it comes to banks quickly automating significant processes."* For example, one supervisor admitted they would not be comfortable with the idea of a five-minute client onboarding process. Another clarified, *"I am less concerned about execution risk from automating or technology implementation. I am more concerned about misconduct"*—which could result from mis-selling and biases that can turn up in algorithms.

The nature of work is changing

Not only is technology likely to change the number and kinds of people working in banks, but the nature of banking careers is also changing. Traditionally, bankers have followed a straight line up through one business or hierarchy. Now, a participant said, *"We fully expect people to have four or five 'careers' within the bank."*

> *"We fully expect people to have four or five 'careers' within the bank."*
>
> – Participant

Employment is becoming more fluid. Most analysts expect tenure within any single firm to continue to decline. In the United States, the median tenure in 2016 for workers ages 25–34 was less than three years, compared with more than 10 years for workers in the 55–64 age bracket.[9] Across Europe, there is variation in job tenure by country, but even so, between 2000 and 2014, job tenure for millennials trended downward.[10] In the coming years, those with the ability to work across different functions and business lines will be increasingly valuable, and firms will need to adjust how they view their employees as a result. A participant said banks need to *"focus on people, not roles, to shift to thinking about capabilities. That is much harder."*

Banks are also rethinking the way they work. They are focusing more on building agile teams, to *"cut through the permafrost by telling middle management to stop issuing instructions and instead coach people to do the thinking themselves,"* according to one participant. Another said, *"We have to alter how we treat employees; we need a different mindset. It's not just money—it's flexible working, letting them work in smaller groups and across groups, what they want is different now."* According to a recent EY study, *"We will certainly be smaller. Banks need to become more comfortable with changes, working with more agile teams, and even more so, banks need to be comfortable with the idea that people will leave."*

– Participant

"75% of millennials want the ability to work flexibly and still be on track for promotion."[11] Some aspects of the flexible work environment that appeal to younger professionals may be difficult to create, however. *"I have never seen a successful part-time arrangement for revenue-generating roles in banking. It is hard to imagine a part-time person getting ahead. We will need to be thoughtful and creative, but it is hard to imagine how we change,"* one participant said.

A participant said, *"We will certainly be smaller. Banks need to become more comfortable with changes, working with more agile teams, and even more so, banks need to be comfortable with the idea that people will leave."* The question, another said, is *"Can the operating and people models in banking stretch to adapt to what firms are trying to do now? We are talking about some fundamental changes."*

Banks are in the early stages of planning for workforce transformation

To remain competitive and improve returns, banks continue to focus on ways to improve efficiency and offer more to customers by transforming their technology infrastructures and improving agility. Bank leaders face three primary challenges in developing a talent strategy: preparing for technology-driven disruptions that could require widespread retraining; identifying the skills and expertise needed to compete in the future; and attracting and retaining the people with those skills.

Preparing for disruption to the workforce

"It is easier to see the jobs that are going to go away than it is to see those new jobs which may be created."

– Participant

Some participants were hesitant to make predictions about the net impact on the banking workforce: *"We know some jobs will be disrupted, but we still don't know what our overall workforce will look like."* But another asserted, *"The net impact is that we will be smaller, and we will need new skills."* Bank leaders realize they will face tough decisions in the coming years when it comes to handling redundant employees. *"The reality is it's going to be on the corporations to shepherd the process. Because of the speed at which this will come, things will change drastically,"* said a participant. Another agreed, *"The political economy of job displacement can't be someone else's problem. Governments are just administrators; they cannot make decisions fast enough."*

Several participants noted that their institutions are still evaluating options and do not yet have concrete plans in place as roles become redundant. As a participant observed, *"It is easier to see the jobs that are going to go away than it is to see those new jobs which may be created."* Participants and experts highlighted two key areas where banks will need to focus efforts when it comes to dealing with the impacts of automation on the workforce.

Retraining and reskilling of current employees

Given the impact of automation, and technology more broadly, one participant said, *"We will retrain 60–70% of our workforce."* However, some are unsure what they should be retraining people to do, as it is unclear what needs they will have in the future. One said, *"In the bank of the future, what are you doing? What are you uniquely good at? I am not yet sure where we will need people in three to five years." "The question,"* another participant suggested, *"is when the old jobs disappear, and the new jobs come, there's a gap. What happens in that gap?"*

> *"The business cycle moves faster than the people development cycle."*
>
> – Participant

Several banks have highlighted internal mobility—redeploying staff from one department to another—and the potential for "reskilling," or training employees to do different jobs. The need to reskill significant portions of the workforce represents a looming challenge for banking leaders. *"The business cycle moves faster than the people development cycle,"* said a participant.

While participants broadly agreed that there would be efforts to retrain parts of the industry's workforce, some doubted the practicality of mass retraining of redundant employees. *"I just haven't seen banks do the sort of large-scale retraining that we're talking about here,"* said a participant. *"I don't see HR [human resources] functions creating large-scale plans for this."* Some shared concerns about firms' ability to conduct such endeavors while under significant cost and market pressures. *"We talk about how many seats will be at the bank of the future. I don't think we're approaching it logically if we think we can retrain all of the redundant people, because the capital markets simply don't allow for that opportunity,"* one participant said.

Banking leaders realize that even in a perfect world, they will not be able to retrain all of the employees that could be displaced by technology. As a result, participants suggested areas where firms are thinking of alternative options for helping those employees. One said, *"There are cultural implications of wholesale reductions. We will also want to offer resume and career counseling services to help people with the transition."*

Managing the impact on customers

Some participants shared concerns about how business and workforce transformation could impact customer relationships. A director said, *"Maintaining culture, enthusiasm, and engagement through the transformation will be a big challenge because we are service companies, so those are vital attributes."* Managing digital transformation efforts and the resulting uncertainty about the future of the workforce will be a challenge for banks, but it may also be a chance to leverage these efforts with customers and clients. *"Sending a message to customers and clients that you are committing to serving them much better than you did in the past—and your talent strategy reflects that—that's a real opportunity,"* explained one participant.

Identifying the skills and experience needed to stay competitive

A recent study found that 62% of senior leaders in the banking industry believe that the digital talent gap, or the disparity between the supply of qualified people with digital expertise and the demand for those candidates, has been widening in recent years.[12] As the needs of banks change, they will sharpen their focus on recruiting people with specific technology expertise. A participant stated, *"Data and technology people—that is where we see competitive advantage in the future. And the alternative for those people is Amazon and Google."* Participants noted that an expanding need for technology talent has been exacerbated by a need to upgrade and maintain legacy systems, address regulatory requirements, and invest in innovation—all at the same time. *"We are going to have to compete very hard in the areas of data technology and software engineering. There is a shortage in those areas,"* said a director.

> *"Data and technology people—that is where we see competitive advantage in the future. And the alternative for those people is Amazon and Google."*
>
> – Participant

As part of the shift in how institutions value employee skill sets, firms are also placing a greater emphasis on organizational agility and adaptability. *"The question isn't whether we can hire all the digital people that want to work in fintech; the question is whether we can attract the people to transform these businesses at a rapid rate, and those are actually very different skills,"* said one director. *"In a world dominated by uncertainty, the key is to be flexible and follow what the customer is doing. That requires flexible talent,"* an executive said.

In a pre-meeting conversation, one participant highlighted *"change leadership skills"* as an area of weakness in the industry: *"Historically, banks have the attitude that management runs the business and tech people deliver change to them."* As a result, another said, *"We have never developed project managers."* The banks who can execute and scale change programs will be the winners; therefore, the critical skills will include a broader mix: *"more data scientists, agile developers, engineers, scrum masters,"* according to one participant.

Competitive organizations will also require more diverse workforces. *"Diversity is absolutely vital. You cannot have a good culture if you do not* *have a diverse workforce,"* said a director. A recent EY study found that "leading companies are rethinking their diversity and inclusion practices as leverage to differentiate themselves from their competitors. These companies are among the organizations that outperform competitors, with a 42% higher return on sales, a 66% higher return on invested capital and greater women representation on their boards and in senior leadership roles."[13] *"We need a diverse workforce. Groupthink in finance is shocking,"* a participant said.

Attracting and retaining the right people

"We need a diverse workforce. Groupthink in finance is shocking."

– Participant

In the wake of the financial crisis, tech firms and consultancies were able to lure talent from banking, which had curtailed its MBA recruitment efforts.[14] Banks' rivals today include Amazon, which in 2017 was the top recruiter at many of the most distinguished US business schools.[15] Banking does offer relatively high compensation—indeed, in the United Kingdom, starting salaries for technology roles are higher at banks than at tech firms.[16] This may reflect the fact that banking has less appeal for some new graduates. *"Attracting digital talent is a huge challenge for banks. As a big bank, the brand and how it's structured—it's not what the talent out there is really seeking,"* said a subject matter expert.

While participants largely agreed that competing for digital talent could be difficult, several directors were careful to point out that big banks still attract an enormous number of gifted professionals. *"The idea that we cannot attract talent is ridiculous. We get the sense that we are losing a very small amount of the most desirable candidates, but not many. Gifted people are still lining up to work at these institutions,"* said a director.

Still, some of the skills that are increasingly important in banking are not necessarily those that have historically been strong in banks' talent pipelines: change management and technology. *"There are new demands for skills, and as banks we will have to compete very hard for those skills. The problem for us is we will be competing against technology companies for those people. We have to be much more innovative and creative,"* said a participant. Participants identified two key areas where efforts to improve recruitment and retention efforts must be focused: reputation and innovation.

Improving the industry's reputation

Several participants highlighted a need for banking leaders to rethink the way their culture appears to the world if they want to appeal to the right talent. *"Right now, it's a fear and greed culture. As an industry, we have a problem that everything we do is perceived as just about money,"* said a participant. This perception contributes to the reputational challenges facing the industry, *"There is a real change in the way young people look at Silicon Valley. The shining city on the hill isn't as appealing as it used to be."*

– Participant

which impedes lower-level recruitment and may also influence more senior hires. *"There is a major branding issue in our industry. Our marketing video is unfortunately* The Wolf of Wall Street*, and it attracts the wrong type of people,"* said a director.

Participants suggested banks could do a better job of describing their role in economies and society, which could provide a sense of identity and purpose that more employees desire. A director said, *"I don't think we get to the fundamental value of what the financial industry does in the economy globally. Young people want to make change and improve the world, and you can absolutely do that in our industry."*

One factor may be working in favor of the big banks: the appeal of working at a technology giant may be in decline as Silicon Valley operators continue to come under public scrutiny for the societal implications of their business practices as well as their own share of work/life balance and culture issues. *"There is a real change in the way young people look at Silicon Valley. The shining city on the hill isn't as appealing as it used to be,"* said a participant. A director agreed, saying, *"This idea that we will continue to lose out to the tech companies, I think that has passed. The thinking that working at a big technology company is a better work/life balance is simply not true."*

Promoting innovation efforts

"This is an industry that could go through a dramatic change, and young people are very interested in being on the frontlines of that change."

– Participant

Many younger professionals, including those with in-demand technical specialties, are attracted to an entrepreneurial environment. They may find process-driven banks stifling in their bureaucracy and hierarchy. A participant explained, *"Banks are really process-driven organizations. Once you get the people who want to disrupt inside the organization and they see how long the process is to do anything—the legacy systems, the bureaucracy—they lose interest."*

However, several participants noted that, despite perceptions to the contrary, banks offer stimulating work that should be appealing to innovators and problem solvers. *"Millennials want to work on interesting problems, and banks have very interesting problems to work on, with a lot of exciting data to dig into. This is an industry that could go through a dramatic change, and young people are very interested in being on the frontlines of that change,"* said one participant. Indeed, in some technical areas, banks may be becoming more appealing to young talent because of the vast amount of data and information the institutions maintain and the scale and customer bases they have. A participant noted, *"Banks are among the most threatened by disruption, and we have some interesting problems that we need to address."*

While every bank is promoting its innovation efforts, and while many have interesting problems to solve, few have demonstrated that they can effectively integrate those efforts into their organization.

Participants generally agreed that because many of these in-demand skills are needed in middle- and back-office functions, the language—and the oft-implied hierarchy associated with it—needs to change. *"I don't think we have embraced the 'banks are technology firms' notion. The front-, middle-, and back-office language implies a class system. How do you hire someone, the tech people we need, if you tell them they are going to be in the middle or back office?"*

Talent strategy has become a critical issue for boards

"I think management development is vitally important and it should have a committee on the board."

– Director

A director observed, *"Talent is so multidimensional. Human capital decisions are inherently long-term investments, which makes it a role for boards."* Participants suggested that boards are re-examining their roles with respect to human capital, including reexamining the attributes of effective leaders in the current banking environment. Directors acknowledged that talent and workforce strategy is an essential part of overall company strategy and cannot be fully delegated to the CEO, top management, or HR. Several participants noted that although talent concerns have become a frequent topic of conversation in board meetings, the depth and quality of these conversations varies widely. A director asked, *"As a board member, how do you oversee this? How do you really make talent integral to everything else the board looks at?"*

Adjusting board functions and committee roles

While the responsibilities of the compensation or remuneration committee has historically been largely focused on setting and approving compensation plans and incentive structures for executives, some boards have explicitly expanded the remit of these committees to include talent and management development more broadly. JPMorgan, Morgan Stanley, and Barclays, among others, include some aspect of management development under the purview of their compensation or remuneration committees. *"I think management development is vitally important and it should have a committee on the board,"* asserted one director. Another participant said that their compensation committee now focused 75% of its time on broader talent issues, with just 25% on compensation and incentives.

Finding the right leaders

Establishing an environment that is receptive to new skills and new ways of thinking starts with tone and leadership at the top. While some fundamental leadership attributes are timeless, the demands on leaders in the current environment are expanding:

> *"In a calm sea, every ship has a good captain … Today, we need leaders who have a strategy to deal with the change agenda."*
>
> – Director

- **Vision and ability to drive transformation.** *"In a calm sea, every ship has a good captain,"* noted one director. *"Today, we need leaders who have a strategy to deal with the change agenda."* Another director said, *"Of greatest concern to me is how banks equip themselves to respond to the threat from the big platform players. How do banks get business model transformation skills to lead a bank through a change of business model?"* Leadership includes selling employees on the vision and ensuring the right incentives are in place. Unfortunately, another participant noted, *"A lot of leaders in this business traditionally have very little change leadership skills—the ability to develop a vision and then take that vision and turn it into a set of initiatives that can actually be acted upon."* Ultimately, one participant asserted, CEOs today need to demonstrate *"ambidextrous leadership,"* to *"be able to lead the core business but also be thinking about innovation and where the world is going. Most leaders are biased toward one or the other."*
- **Engaging on social issues.** As attitudes change regarding the role of companies and banks in society, leaders are increasingly expected to have a perspective on social issues and to engage with employees and customers on those issues. A director said, *"We should be looking at the areas of social and economic life that our company inhabits and consider, What should we be doing and what should our positions be?"* That may include CEOs sharing views through social media and taking positions on potentially sensitive social issues, which can also create some challenging business decisions, such as whom to do business with.

  Corporate commitments to broader social priorities must be widely perceived as authentic, if they are to inspire followers. A participant said, *"More than ever, leaders need to be engaging. To me, a leader who believes in sustainability and a level of community involvement is going to be hugely important. People want leaders that can show that. Young people want to see that."*

- **Leading with conviction and humility.** Participants noted that leaders need the courage of their convictions to stick to a vision and strategy, along with the humility to accept when they are wrong and listen to the people around them. One director disagreed with the idea of 'humility': *"I don't know many people who can make it to be a CEO that I would call humble. Humble, no, but selfless, yes."* Ultimately, leaders need to build an excellent team and empower them to execute: *"The days of command and control are over,"* said a participant. That requires vision but also empathy to persuade their teams and their shareholders.

Several participants cautioned against overemphasizing new technical skills in place of enduring leadership competencies. As boards continue to assess leadership attributes in a changing environment, there are several factors at play.

Aligning talent strategy with business strategy

> *"Usually, talent follows strategy development, but they need to be aligned up front now."*
>
> – Participant

Although having talent is a priority in every business sector, the value of a bank's workforce will hinge on the effectiveness of the business strategy and how talent is deployed within that strategic framework. Bank leaders considering significant business model changes in order to remain relevant for the future will need to align workforce strategy with those goals. *"You need to continue to align your talent strategy to the business strategy. Usually, talent follows strategy development, but they need to be aligned up front now,"* said a participant. Linking business strategy to talent strategy in an impactful way is the responsibility of management and a sought-after leadership trait among banks. A director said, *"An effective leader today figures out what's going on in the world and can translate that to how it relates to your business."*

Boards and supervisors are looking at succession planning and leadership development to ensure they have sufficient depth of talent and are identifying and developing future leaders. A director said, *"Identify certain skills and behaviors in employees, and then continually challenge them and give them opportunities. It's really a question of constantly reassessing your talent base."* A regulator also noted that this should be a priority from a supervisory perspective as well: *"If you can't show your bench of internal talent, that would be a significant warning sign."*

Ensuring incentives align with strategic objectives

Banks have historically competed well by offering high total compensation. Now, however, some are reconsidering the structures needed to appeal to different kinds of employees—for example, those focused on technological innovation—and the performance management systems that encourage transformation efforts.

> *"The balance of current earnings, midterm targets, and the technological transformation—I don't think we have that right yet."*
>
> – Director

Banks are trying to accomplish three main objectives with incentives:

- **Encourage investment in transformation.** In a pre-meeting conversation, a director said, *"You need to rethink incentives. You need to have it set up so that the head of retail banking is motivated to change the business for the future. The balance of current earnings, midterm targets, and the technological transformation—I don't think we have that right yet. There isn't enough weight being placed on the future."*
- **Attract and keep tech talent.** One director said, *"I think as boards we need to look at the investments in talent we're making broadly. How to bring new talent into the organization without losing what we have, that's a board role. The governor of our success will be our ability to absorb the right talent and deploy it effectively."*
- **Encourage talent development.** In a recent report, one director remarked, "Over time, we began to realize that our CEO was like a pine tree—very tall and strong, but nothing was growing underneath. We added specific people-development metrics to his goals: diversity, churn rate, retention of new hires and high-potentials. That made a difference."[17]

★★★

The technological transformation that the banking industry faces is placing new demands on its leaders. Harvard University's Ronald Heifetz has drawn a useful distinction between adaptive challenges and technical ones, noting that technical challenges require new skill sets, whereas adaptive challenges require both new skill sets and new ways of thinking and responding to change.[18] The speed, breadth, and depth of banks' technological transformations place these changes firmly in the adaptive category. A director said, *"Banks are not particularly good at HR,"* which increases the pressure on bank leaders to simultaneously address business strategy and talent strategy starting from the top.

About *ViewPoints*

ViewPoints reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.

About the Bank Governance Leadership Network (BGLN)

The BGLN addresses key issues facing complex global banks. Its primary focus is the non-executive director, but it also engages members of senior management, regulators, and other key stakeholders committed to outstanding governance and supervision in support of building strong, enduring, and trustworthy banking institutions. The BGLN is organized and led by Tapestry Networks, with the support of EY. *ViewPoints* is produced by Tapestry Networks and aims to capture the essence of the BGLN discussion and associated research. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, senior management, advisers, and stakeholders who become engaged in this leading-edge dialogue, the more value will be created for all.

About Tapestry Networks

Tapestry Networks is a privately held professional services firm. Its mission is to advance society's ability to govern and lead across the borders of sector, geography, and constituency. To do this, Tapestry forms multistakeholder collaborations that embrace the public and private sector, as well as civil society. The participants in these initiatives are leaders drawn from key stakeholder organizations who realize the status quo is neither desirable nor sustainable and are seeking a goal that transcends their own interests and benefits everyone. Tapestry has used this approach to address critical and complex challenges in corporate governance, financial services, and healthcare.

About EY

EY is a global leader in assurance, tax, transaction, and advisory services to the banking industry. The insights and quality services it delivers help build trust and confidence in the capital markets and in economies the world over. EY develops outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, EY plays a critical role in building a better working world for its people, for its clients and for its communities. EY supports the BGLN as part of its continuing commitment to board effectiveness and good governance in the financial services sector.

Appendix: discussion participants

In March of this year, Tapestry and EY hosted two BGLN meetings on the future of talent in banking as digital transformation efforts and broader trends are reshaping the workforce and had over 35 conversations with directors, executives, regulators, supervisors, and other thought leaders. Insights from these discussions informed this *ViewPoints* and unattributed quotes from these discussions appear throughout.

The following individuals participated in BGLN discussions on the future of talent in banking:

BGLN Participants:

- Hilary Ackerman, Risk Committee Chair, Credit Suisse USA
- Homaira Akbari, Non-Executive Director, Santander
- Stein Berre, Vice President, Financial Institutions Supervision Group, Federal Reserve Bank of New York
- Win Bischoff, Chair of the Board, JPMorgan Securities
- Clare Buxton, Principal, Heidrick & Struggles
- Norie Campbell, Group Head, Customer and Colleague Experience, TD Bank
- Toos Daruvala, Risk Committee Chair, RBC
- Jonathan Davidson, Director of Supervision, Retail and Authorisations, UK Financial Conduct Authority
- Noreen Doyle, Chair of the Board, Credit Suisse International and Credit Suisse Securities (Europe) Limited
- Terri Duhon, Risk Committee Chair, Morgan Stanley International
- Mary Francis, Non-Executive Director, Barclays
- Robert Gillespie, Performance and Remuneration Committee Chair, RBS
- Ben Gully, Assistant Superintendent, Risk Support Sector, OSFI
- Janet Johnstone, Chief Administrative Officer, EMEA, BNY Mellon
- Nick Le Pan, Non-Executive Director, CIBC
- Brian Levitt, Chair of the Board, TD Bank
- Mary Phibbs, Remuneration Committee Chair, Morgan Stanley International
- Pauline van der Meer Mohr, Conduct and Values Committee Chair and Remuneration Committee Chair, HSBC
- Scott Moeller, Risk Committee Chair, JPMorgan Securities
- Tucker Nielsen, Director, Head of Global & National Industries Treasury Sales, Commercial Bank, Citigroup
- Jim Quigley, Audit and Examination Committee Chair, Wells Fargo

- Michael Schoch, Head, Banks Division, FINMA
- Bob Scully, Non-Executive Director, UBS
- John Tattersall, Chair of the Board, UBS Limited
- Todd Taylor, Partner, Heidrick & Struggles
- Jen Tippin, Group People & Productivity Director, Lloyds Banking Group
- Kevin Walsh, Deputy Comptroller, Market Risk, Office of the Comptroller of the Currency
- Steve Weber, Professor, School of Information, Department of Political Science, UC Berkeley, and Faculty Director, Berkeley Center for Long Term Cybersecurity
- Max Yankelevich, CEO and Chief Architect, WorkFusion

EY

- Omar Ali, Managing Partner, UK Financial Services
- Anthony Caterino, Vice Chair and Regional Managing Partner, Financial Services Office
- Marie-Laure Delarue, EMEIA FSO Banking Capital Market Leader
- Marcel van Loo, EMEIA FSO Regional Managing Partner
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- Bill Schlich, Global Banking and Capital Markets Leader
- David Storey, UK FSO People Advisory Services & Global PAS Leadership Team

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- Dennis Andrade, Partner
- Jonathan Day, Vice Chair
- Brennan Kerrigan, Associate

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