

How ADIs And FinTechs Can Manage
The Workforce Transformation
Aspects Of Digitisation



Managing the Workforce Transformation

Aspects of Digitisation

The true benefits that digitisation delivers to FinTechs and authorised deposit-taking institutions (ADIs) don't come from using technology to replace people. Rather, they come from using technology to assist people as part of a healthy ecosystem between company, employees and digitisation.

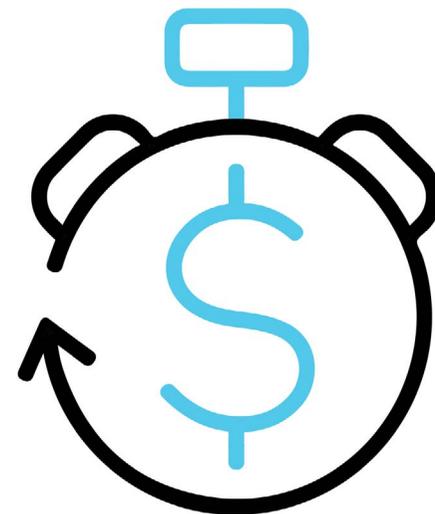
New technologies such as artificial intelligence (AI), machine learning and automation promise to assist employees with number-crunching tasks and back-end operations, so they can focus on higher-value tasks which require a human touch and deliver greater benefit to the business. Beyond these significant efficiency boosts, the technology can also open up opportunities and create revenue streams.

As a technological revolution, it harks back to the rise of electronic spreadsheets which freed people to spend less

time adding up columns of numbers, and more time actioning the insight derived from those numbers.

Such a transformation is not without its challenges.

Managed well, it is possible for ADIs and FinTechs to embrace digitisation and reap the benefits, without alienating their workforce



Opportunities For ADIs and FinTechs Through Digitisation



Artificial Intelligence has the potential to create value across all sectors, with McKinsey predicting a more than **US\$250 billion boost** to the banking sector, with around 35% derived from the impact of analytics.

According to a Deloitte survey of 1,900 AI early adopters, AI will contribute to the bottom line in a range of ways - creating value, driving revenue and underpinning operational growth:

43%

say AI will enhance products and services.

41%

say AI will optimise internal business operations.

34%

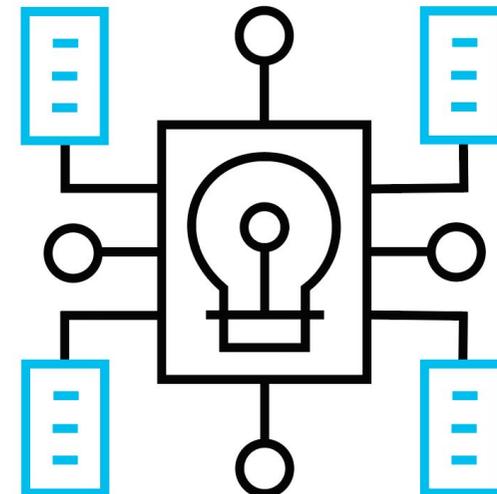
say AI will help them make better decisions.

31%

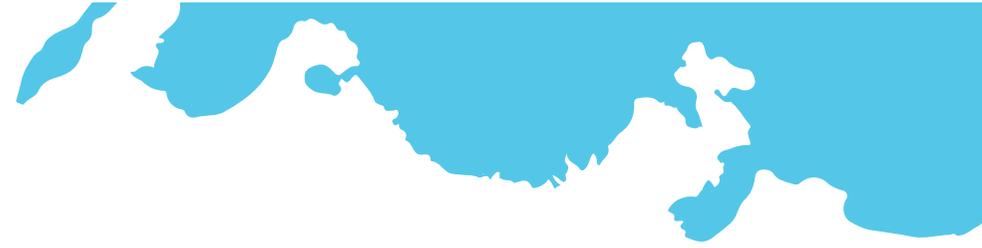
will automate tasks, freeing up workers to be more creative.

For ADIs and FinTechs, AI has the potential to create new revenue streams, especially when applied in conjunction with open banking.

The use of AI and data analytics will allow them to find new patterns in customer behaviour and in turn create new products and tailored customer solutions which drive business growth.



Workforce transitions within ADIs and FinTechs



The rise of AI will spur a significant demand shift in skills between now and 2030, according to McKinsey.

Demand for basic cognitive and manual skills will fall, but this will be accompanied by much greater demand for higher cognitive skills:

Failing skills demand:

14%

physical and manual skills

15%

basic cognitive skills

Rising skills demand:

+8%

higher cognitive skills

+24%

social and emotional skills

+55%

tech skills

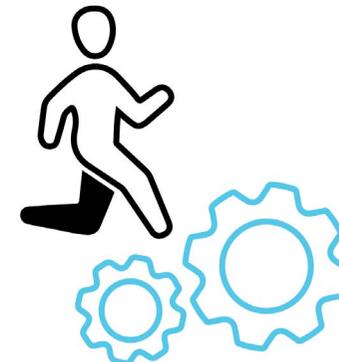
Some job losses are inevitable, with around 15% of the global workforce displaced by automation by 2030 and around 3% required to change occupational categories.

As it stands today:

50% of current work activities are technically automatable by adapting currently demonstrated technologies

60% of current occupations have more than 30% of activities which are technically automatable.

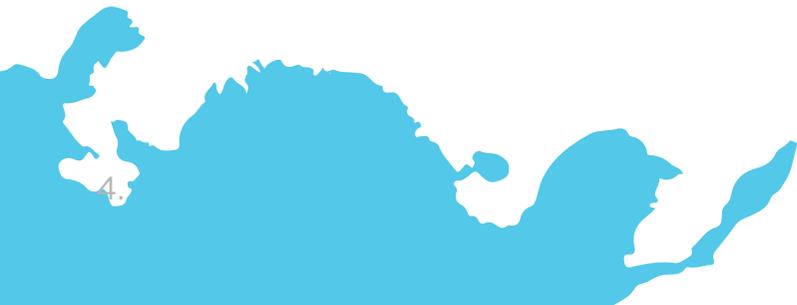
This workforce transition will see the mix of occupations change, as will the skill and educational requirements.



Rather than cut humans out of the picture, **the work environment will be redesigned to allow humans and machines to work side-by-side** more effectively. The goal is to equip employees with the tools to work smarter, while improving the synergies between what businesses require and what workers have to offer.

For ADIs and FinTechs, the rising demand for those higher-level skills – complex manual or cognitive tasks which can't as easily be delegated to a machine – will certainly outweigh the declining need for more basic skills. As such, there is likely to be a skills shortage and high demand for talent, placing a strong emphasis on both external recruiting and internal retraining to meet that demand.

In return for limited job losses, jobs will also be created – **many new occupations which we cannot currently imagine will emerge and account for as much as 10% of jobs created by 2030.**



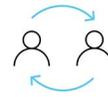
Areas for growth might include:



Software developers



Data scientists



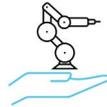
Change management experts



UX designers



Subject matter experts



AI product managers



AI researchers



Edge computing managers



Cyber city analysts



Ethical saucing officers



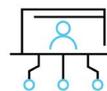
Data detectives



AI-assisted health care technicians



Quantum machine learning analysts



Personal data brokers

When it comes to implementing the AI technologies required to assist with these roles, challenges will include the need for vast amounts of training data and the difficulties in applying generalised algorithms across a range of value-adding use cases.

ADIs and FinTechs must address bias in algorithmic decision-making such as lending, data privacy and security. They must also tackle adoption issues including data availability and process readiness.

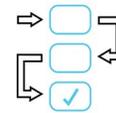
What ADIs and FinTechs can do to manage the transformation

Effectively managing the workforce transformation aspects of digitisation requires ADIs and FinTechs to work closely with their employees, talk about technology honestly and bring them along on the journey rather than leave them feeling alienated and disempowered.

It is important to understand the true potential of new technology, in order to identify which jobs and tasks are better handled by technology and those areas where people still deliver key value to the business - in alignment with the business strategy. Never lose sight of the fact that [a technology strategy must always align with the business strategy, not vice versa.](#)

Be sure to involve your people in this process, as those who do the work are often the best placed to identify the skills they require to succeed.

Adopting digitisation into operational processes includes collaborating with employees to:



Identify all possible affected workflows and processes.



Communicate with staff about the scope, uses, benefits and limitations of digitisation.



Train staff in the new skill sets, processes and tools.



Monitor employee feedback and behaviour for continual improvement.



Reinforce the process changes.

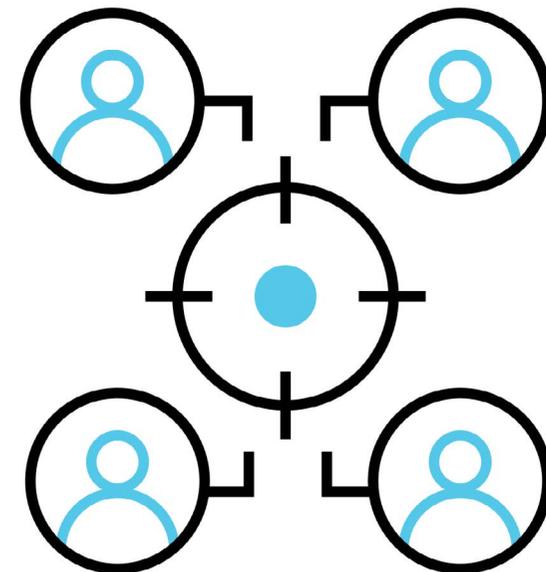
What ADIs and FinTechs can do to manage the transformation

From here, ADIs and FinTechs can map their investments in AI and automation in order to reap productivity benefits, while better-forecast future skills needs which leverage the strengths of both humans and machines.

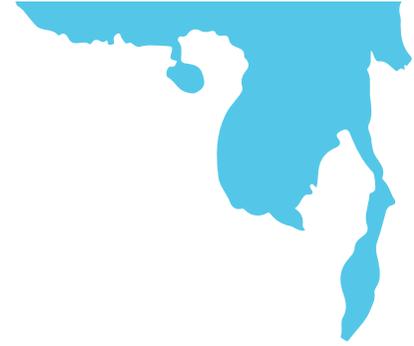
This requires being clear on the business strategy, along with the required values and behaviour that align with the strategy, while creating a work environment which drives productivity and addresses the needs of knowledge workers.

Once these opportunities for people to deliver key value to the business are recognised and understood, organisations can place a strong focus on retraining, reskilling and redeploying where necessary, rather than simply retrenching.

One aspect of implementing this change can be to redesign or even [redefine the notion of “work”](#) in the modern age. For ADIs and FinTechs, this could involve a [less-hierarchical structure](#) in order to gain greater transparency and more effective processes, along with an integrated approach to getting people engaged and aligned, while thinking and behaving productively.



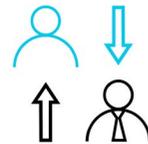
What ADIs and FinTechs can do to manage the transformation



Rethinking the notion of work extends to evolving education systems and learning environments. With skill requirements changing more quickly than ever and becoming more job-specific, the future of work will require improving STEM skills through on the job training and self-education resources to enhance not just creativity but also thinking processes.



A new emphasis is needed on creativity, critical and systems thinking, and adaptive life-long learning. Once again, the best approach is to find ways to involve employees in the design and implementation of learning programs.



There is also a role for mentoring and apprenticeships, taking advantage of micro-credentialing to unlock the value of emerging job skills, while apprenticeship models may re-emerge as an effective way for business to develop a future-ready workforce.



Even with all these efforts to bring existing employees along on the journey, ADIs and FinTechs will also need to recruit wisely in order to prepare for the future - looking for skill sets which complement these new technologies. This can involve recognising and rewarding not just technical skills, but also social skills such as empathy, judgement and collaboration.



How GenAdvisory can assist ADIs and FinTechs

GenAdvisory is ready to assist ADIs and FinTechs through the process of adopting and implementing digitisation, with end-to-end solutions and process transformation.

Along with helping introduce and integrate new technologies like AI and machine learning, we can also ensure your organisation makes the most of them by supporting and managing the impact on:



Company culture



Communication



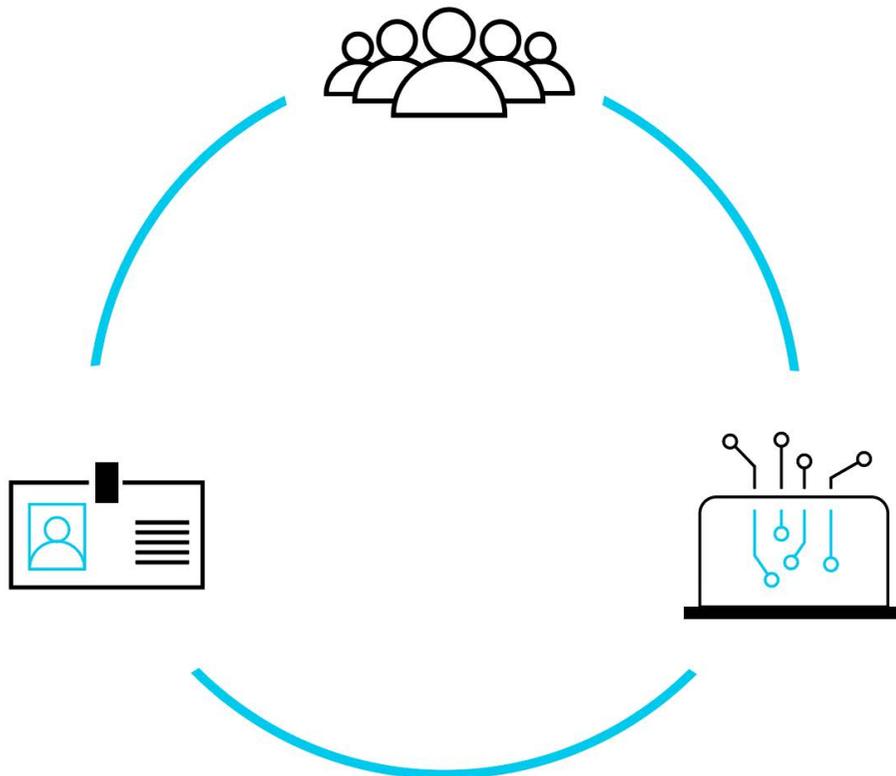
Research & Development



Learning & Development

How GenAdvisory can assist ADIs and FinTechs

We can guide you through managing workforce transformation, in order to establish a healthy ecosystem encompassing company, employees and digitisation.



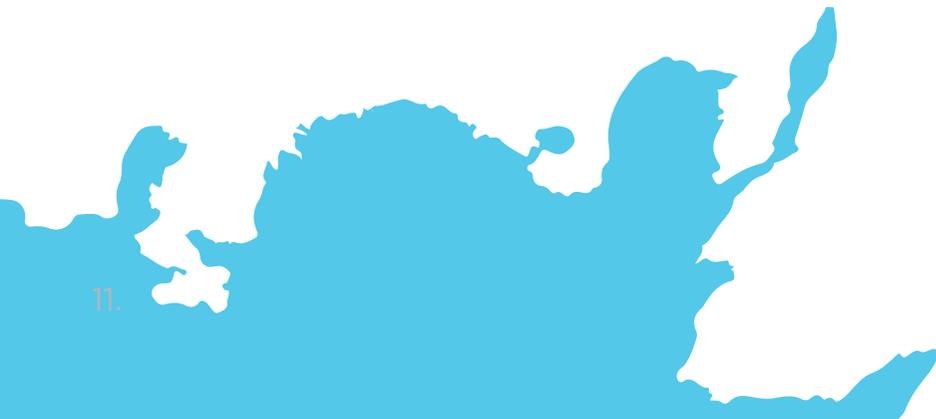
This includes training and capacity building - assisting with employee learning and development, to help them keep up with the latest technology developments and make best use of them.

Thanks to our strong banking and FinTech background, GenAdvisory also offers strategic research such as whitepapers, along with strategic board advice and strategy planning within your organisation.

Conclusion

The true benefits of digitisation for ADIs and FinTechs will come from using technology to help people work smarter, as part of a [healthy ecosystem encompassing company, employees and technology](#).

The demand for some roles and skill sets will change but, managed correctly, organisations can embrace digitisation, reap the benefits and prepare for the future without alienating their workforce.



References

<https://www.mckinsey.com/featured-insights/artificial-intelligence/notes-from-the-ai-frontier-applications-and-value-of-deep-learning>

<https://www2.deloitte.com/content/dam/Deloitte/lu/Documents/public-sector/lu-global-ai-survey.pdf>

<https://www.mckinsey.com/featured-insights/future-of-work/ai-automation-and-the-future-of-work-ten-things-to-solve-for>

<https://www.cognizant.com/whitepapers/21-jobs-of-the-future-a-guide-to-getting-and-staying-employed-over-the-next-10-years-codex3049.pdf>

