

Financial Expertise in 2020 opens a window to future competence

The Federation of Finnish Financial Services together with banks and insurance companies operating in Finland launched a project aimed at mapping the changes the industry will face in the future as well as the effects these changes will have on competence requirements. In particular we wanted to find the answer to the question: what knowledge and skills should financial employees have in the year 2020?

The recent study *Financial Expertise in 2020* opens a window to the competencies and future needs of the financial industry in Finland. The following short summary gives an overview of the main conclusions of the study.

Versatile skills and proper attitude in customer service

Already, new competence requirements are visible in the financial sector. One of the major changes that affect customer service is the fact that more and more services are provided using online banking and mobile channels.

The main future challenges of the financial industry are related to three changes:

- better presence in the customers' everyday life
- improved flexibility of the work culture, and
- networked production of financial services.

The skills and knowledge that are needed for these changes all emphasize customer service, business competence, multicultural skills and technological prowess. A growing number of occupations require multiple skills. These include, for example, innovators, Super Private Bankers and Financial Personal Trainers.

The most pressing challenges are related to identifying and reacting to the needs of customers. Customers place a lot of weight on transparent operating principles and the availability of clear and accessible services. Mutual confidence is the cornerstone of customer relationships.

As such, the financial industry will need to gradually implement a new mode of working, which requires more interaction and teamwork skills, self-direction, innovative talent and multicultural readiness such as language skills and the ability to work with people from different backgrounds.

These changes require the training of managers and directors. The challenge is to make managers and directors more effective at directing the well-being of a diverse group of employees. Managerial duties will be targeted with more and more demands, and in the future, the main role of a manager is likely to become that of a trainer who helps employees find meaning in their work and looks after the coping skills of those who have long careers behind them.

As age groups shrink, the competition for competent employees increases. The industry's employer image should be made more appealing. The industry must adapt to the changing environment where online media and mobile services have a growing role as customers' communication and service channels.

Employee aging creates new jobs in the financial industry

Among the most pressing issues in the industry is the fact that over the next several years, a significant number of long-standing employees will be retiring.

In Finland more than 20 percent of employees in banks and insurance companies are over 55 years old. The small number of employees born in the 1970s is another notable characteristic of the financial industry. This 10-year gap in the employee structure is the result of the banking crisis in the early 1990s, when very few new employees were recruited for several years.

Overall, the financial sector employs more than 40,000 people in Finland. About 90 percent of the industry's employees work full-time, an exceptionally high level compared with other industries. In addition, the industry is highly female-dominated: about 80 percent of all employees are women.

Importance of financial education growing

In addition to the expected demographic changes in the industry, job descriptions and competence requirements are also changing. Forecasting competence requirements and the readiness to react to the changing needs of customers are of particular importance to the customer-oriented financial industry.

Diversity and variety will continue to attract highly competent, world-class people to the numerous occupations the financial industry offers. Financial industry employees are also expected to have a higher educational background in the future.

Financial employees are highly educated. More than one out of three has either a Vocational Qualification in Business and Administration, or an equivalent older degree. University degrees are the second-most common educational background, followed by BBA degrees.

Trust and confidence are key elements of success

The study was published last January by the Federation of Finnish Financial Services. The publication event was attended by people responsible for HR development in banks and insurance companies, as well as representatives from many academies, universities and education authorities.

To enhance financial literacy the FFI has 2011 launched a modern, web-based learning environment <http://www.zaldo.fi/>, where the user can tame his or her own financial monster. The website consists of four independent sections which inspire and teaches 9th grade students the management of their personal finances. The learning environment is designed to be used as part of their normal economics classes.

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www.fkl.fi, www.zaldo.fi, www.keeptrolling.fi