

SUMMARY REPORT

The future of work in financial services

October 29th 2020

Sponsored by



Traditionally, finance workers have built relationships and made decisions based on the in-person sharing of information, expertise and firm culture. However, in response to covid-19, financial firms worldwide rapidly moved millions of traders, wealth managers, bankers, insurers, accountants and auditors into home offices. How would they adapt to remote working? Would there be an impact on performance and decision-making?

It turns out that the knowledge-centric nature of finance is well suited to remote working, with workers turning to data to understand the new world outside their window and make critical business decisions. Are the new ways of working here to stay? Has there been an impact on performance and productivity? How are data analytics and other technologies replacing some of the in-person information flows that have been curtailed during the crisis? And how can important conversations continue to take place remotely? To consider these questions, on October 29th 2020 four leaders in finance and data analytics gathered in a virtual panel moderated by Matthieu Favas, a financial correspondent for *The Economist*.

Panellists found that productivity had continued much as before during the crisis, which will mean new ways of working are here to stay. The efficiency and convenience of remote work will mean workers need to be lured back to return to “hybrid” workplaces that will facilitate a mix of remote and in-person collaboration. Meanwhile, a lack of face-to-face interaction and time outside the home office has isolated staff from sources of information, advice and personal support. Data is filling some of the knowledge vacuum, which creates an unprecedented need for the skills and tools that let people visualise, interrogate and make sense of it.

Returning to a hybrid workplace

“If you’re a decent manager, you know what a team is supposed to be doing and you can tell whether it’s delivering or not. I worry more about individuals and how they’re performing or feeling. Face-to-face you can pick up some of those subtle cues. It’s a lot harder digitally.

James Anderson, Executive vice-president, Commercial and B2B solutions, **Mastercard**

The covid-19 crisis has catalysed a move to remote work, which finance has accommodated relatively easily. “Not for nothing are financial-services people called knowledge workers,” said Sigal Zarmi, international CIO and global head of technology transformation at Morgan Stanley. “You are working with data. You’re in front of a screen most of the time anyway, and you can do that anywhere in the world.”

The panellists agreed that new working arrangements are likely to persist. “A lot can be done from home,” said James Anderson, executive vice-president for commercial and B2B solutions at Mastercard. “The wheels didn’t fall off the bus and productivity didn’t collapse.” An audience poll found that 61.4% of respondents thought secure remote-collaboration tools had done the most to help their organisation mitigate the negative effects of the pandemic, while having an agile and geographically diverse workforce was the next most popular option (31.8%).

However, online collaboration can’t replace every aspect of the in-person workplace. “Everybody longs for a bit of human contact,” said Alan Davidson, regional vice-president for financial services at Tableau. Contact is especially important for team-building, organisational culture and creative tasks. Therefore, while companies have invested in technology to support remote work, the office is likely to feature in a hybrid model, where contact is needed to build relationships, fuel innovation and share the organisational culture.

In response to another poll question, just over two-thirds of attendees (68%) said their organisation had successfully kept its work culture alive through reimagined orientation, mentorship and collaboration programmes. The remainder, however, felt that only stop-gap measures were in place while they waited for restrictions to ease.

Encouraging everyone to return to the office may not be easy. Michael Gorriz, group CIO at Standard Chartered, said many people prefer working from home and may need some enticement. “We have just started with our property people to rebuild our offices to make an environment where people want to come back for meetings and more activities, games and focused work,” he said. Part of the value in returning is the “magic sprinkle of corporate culture when you walk through the door”.

Filling the knowledge gap with data

“The old rules of thumb no longer apply, and I can no longer turn to my colleagues next to me and ask how they would do something. In some areas, there is a vacuum that people are attempting to fill. People turn to data.

Alan Davidson, Regional vice-president, Financial services, **Tableau**

During the most intense period of transformation, “The only friend was my coffee maker,” Mr Gorritz said. The isolation created by working from home has changed how knowledge is shared. Mr Davidson described how the lack of face-to-face contact means “I can no longer turn to my colleague next to me and ask how they would have done this.” Remote working has created a knowledge vacuum, which people are trying to fill with data. “I’ve lost count of the number of conversations I’ve had around financial services with people talking about how we become more data-driven,” said Mr Davidson.

The most successful data-driven companies prioritise data skills and develop a universal foundation of data literacy. Mr Davidson said, “There is a skills gap around how to assess the information presented. Should I trust this information? Does it make sense? What is the source?” To maximise the value of investments in analytics and capitalise on their data, companies are establishing scalable education programs, measuring engagement and increasing data fluency through the sharing of best practices.

“

If you turn data into something usable and you can relate it with cause and effect, all of a sudden data is real. People love it and they engage with it.

Michael Gorriz, Group CIO,
Standard Chartered

“

What we have been working on over the last few months is to really have the data better organised...our next phase is to really work on improving data tools in our AI and machine-learning activities.

Sigal Zarmi, International CIO
and global head of technology
transformation, **Morgan Stanley**

Making data engaging

The key to widespread engagement with data is to show valuable insight, fast. Mr Anderson described showing a bank how it could examine its liquidity twice a day instead of twice a month, which opened minds to new ways of doing things. Persuasion is always part of change management, said Ms Zarmi. “Even in the office setup, when you are face to face, how do you convince people to do something they don’t want to do? ...It is by showing an example, trying to understand what’s in it for them.” Change is possible if you understand the individual’s motivators.

It is not much fun to sit in a back office entering data, Mr Gorriz said. “But if it’s [usable] for your purpose, it’s really good.” For example, finance workers can use customer feedback and internal metrics to tune their products, services and processes. Making a change and seeing the data respond encourages further engagement with the process.

Nevertheless, some businesses are struggling with this data transformation. A poll of the audience showed that almost half (49%) saw digitising both front-office and back-office operations as their clients’ most significant challenge during the pandemic. The remaining audience members split their answers between the lack of robust cybersecurity frameworks (28%) and the lack of tools for real-time access to and analysis of data (23%).

Hybrid workplaces will reshape cities

“
We’ve seen companies that have gone all work-from-home in the past...and then after many years they brought everybody together because they kind of lost the culture and connectivity.

Sigal Zarmi, International CIO and global head of technology transformation, **Morgan Stanley**

Settling most workers in remote or hybrid work practices informed by data and optimised by feedback loops is likely to have a significant effect on cities. “I don’t think location matters as much as it perhaps once did,” said Mr Davidson, who foresees younger workers in Britain moving away from London. Mr Gorriz, who is based in Singapore, expects people will seek different things in the places where they live and work, but that all will need infrastructure that can get them to a point where they can physically meet with others when needed.

Ms Zarmi described the elimination of the commute as a gain that has freed time to interact with colleagues elsewhere. Patterns of collaboration will coalesce around overlapping time zones rather than physical presence in the same office. Yet even the new paradigm may someday change. In a reminder that few things are permanent, she raised the example of Yahoo, which had allowed remote work before chief executive Marissa Mayer banned it in 2013.

It will take prudence to avoid what Mr Anderson described as the “entropy” in culture that can take hold when workers spend less time together in the same physical place. “Whatever we do, we have to be very thoughtful and deliberate,” said Ms Zarmi.

Key takeaways

New ways of working in finance are here to stay.

Productivity hasn't collapsed during the crisis, and remote or digital working practices have proven unexpectedly effective. Finance businesses have further digitised front- and back-office functions and developed products and services that answer new or heightened needs. Like other knowledge workers, those in finance can work in front of a screen anywhere, and will keep doing so.

Workers may need encouragement to return to hybrid workplaces.

Some people will be attracted back to offices for the human contact and in-person collaboration on evolving ideas. But others are happy with working from home. To entice them back to the office as a meeting place, some organisations will revamp facilities to impart a greater sense of fun. The "magic sprinkle" of company culture that exists in a physical workplace may also prove a draw.

Monitoring team welfare is a task for humans.

It's relatively easy to measure performance against clear indicators. But managers are also deeply concerned about the welfare of their teams. Maintaining connections between people and ensuring everyone is well takes sensitivity and attention. Troubleshooting difficulties that individuals may have with engagement or mental health is harder online than in person. Fortunately, videoconferencing has let colleagues see more of each other's home life, which builds camaraderie and trust.

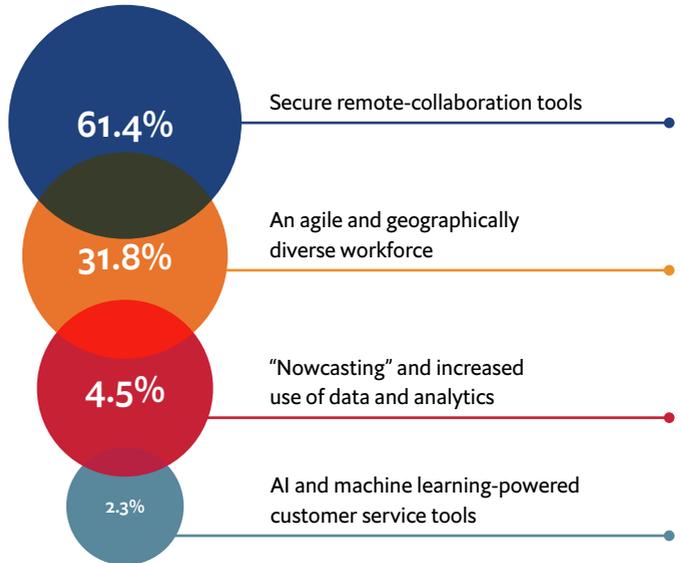
Data is filling a knowledge vacuum created by change and isolation.

As work has changed, old assumptions and rules of thumb no longer apply. At the same time, people are physically isolated from their colleagues and can't turn to them for perspective as easily. Increasingly, they are looking at data to understand their business and the world around them. The story of covid-19, for example, has been told vividly in graphs. There is a need to interrogate the coherence and trustworthiness of information, but a lack of the required skills.

Audience perspective

Q1.

Which of the below has most helped your organisation navigate the pandemic and mitigate its negative effects?
(44 votes)

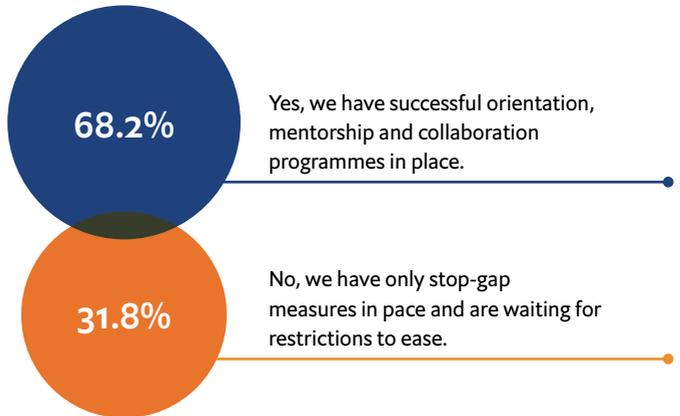


The audience shared panellists' view that technologies enabling remote work had kept organisations functioning throughout the crisis. "We had enough embedded technology that we were able to function, but that wasn't without some areas of pain," said James Anderson of Mastercard. At Standard Chartered, "We had very good collaboration with cybersecurity, and we made things happen," said Michael Gorriz.

Workers in global financial institutions were already adept at collaborating across diverse geographies, and a considerable proportion of the audience saw this as a strength during the pandemic. Now, connections with far-off colleagues may be as strong as those with people in the same city, since all interaction takes place at a distance. "We are not talking about co-location in the same sense," said Sigal Zarmi of Morgan Stanley. "We are talking more about overlapping time zones than being in the same office and seeing each other.

Q2.

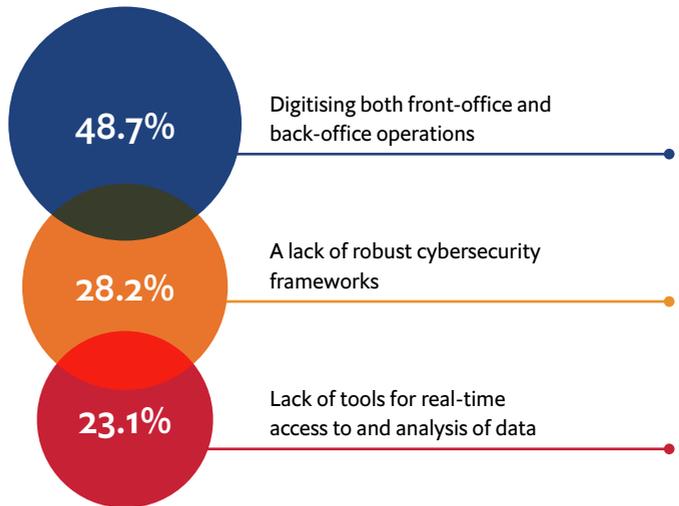
Over the course of the pandemic, have you been satisfied with your organisation's efforts to keep its work culture alive and help new employees benefit from it?
(66 votes)



Despite panellists' clear personal commitment to fostering the well-being of employees, nearly a third of the audience still indicated that their own organisations' efforts to keep work culture alive were inadequate. Managers in a range of industries tend to say that maintaining organisational culture and onboarding new hires are significant challenges when working remotely and require unusual effort. "The other real challenge is onboarding people, bringing people into the organisation and making them understand what makes it tick, because so much of that involves very subtle signals and behavioural cues," said James Anderson of Mastercard.

Q3.

Which of the following has been your clients' most significant challenge during this pandemic? (39 votes)



Panellists in this discussion came from businesses that have made great strides in digitising their whole operations. Tableau, as a software company, has arguably never been anything but digital. Audience responses to this question, though, suggest that many businesses served by the finance industry are struggling with digital transformation. These clients could benefit from the help and advice of banks, payment processors and providers of business intelligence that have already been through digitisation.

Almost equal proportions of the audience viewed cybersecurity and lack of tools for working with data as the biggest challenges during the crisis. Michael Gorriz of Standard Chartered reported that his own organisation was on top of cybersecurity and that this enabled change. Clients may not be doing as well in this area. At the same time, in a world that looks to data for guidance, clients appear to lack the tools they need. They are also likely to experience a skills gap in assessing the available information, as Alan Davidson of Tableau suggested.

Copyright

© 2020 The Economist Group. All rights reserved. Neither this publication nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior permission of The Economist Group. Whilst every effort has been taken to verify the accuracy of information presented at this conference, neither The Economist Group nor its affiliates can accept any responsibility or liability for reliance by any person on this information.

The Economist Events

The Economist Events is a part of The Economist Group, publisher of *The Economist* newspaper. Sharing *The Economist's* commitment to informed, impartial and independent debate, we are recognised the world over as a leading provider of highly interactive meetings—including industry conferences, private gatherings and government roundtables—for senior executives seeking new insights into important strategic issues.

20 Cabot Square, London, E14 4QW, United Kingdom
[events.economist.com](https://www.economist.com/events)