



# Securing Future Skills

Supporting a global bank on its digital journey by reskilling and upskilling existing talent

# The Challenge



## Future-Proofed Workforce

Companies understand that they need to build an agile and future-proofed workforce, but many are unclear of the steps to take.

### Understanding the Impact of Digital Transformation on the Workforce

One of the most pressing organizational challenges today is building a workforce capable of success in an increasingly digital and agile world.

With its extensive industry data and analytical expertise, Aon works with clients to solve the most complex people decisions and provide the clarity needed to guide strategy and prioritize action based on sound evidence.

Companies understand that they need to build an agile and future-proofed workforce, but many are unclear of the steps to take. Many do not know where to start, being daunted by the task ahead or too busy dealing with immediate needs. While understandable, the problem with that mindset is that the future of work is here and many firms must begin making progress toward their long-term goals or get left behind.

One global bank had a clear vision of its future: to become more digital by embracing the customer and product opportunities afforded by technology. Business leaders understood that this would impact the shape of its workforce and the people skills needed; however, they were unclear on how to take the steps necessary to realize their vision.

With a strong desire to change but lacking a road map of how to progress and an understanding of the impact of change, the firm partnered with Aon. This is a story of not simply a move to more digital ways of working, but to those actions needed for organizational and talent transformation by harnessing the value and insights from numerous collated talent data points.

In most organizations, including our banking client, future skills may be discussed but are often hidden beneath competencies or buried in job descriptions. This makes it hard to get a baseline view of which skills exist among current employees.

The challenge for most organizations is identifying the available data, having the skills to consolidate this into analysis and the insight to translate the findings into action.

### We worked with our banking client to determine:

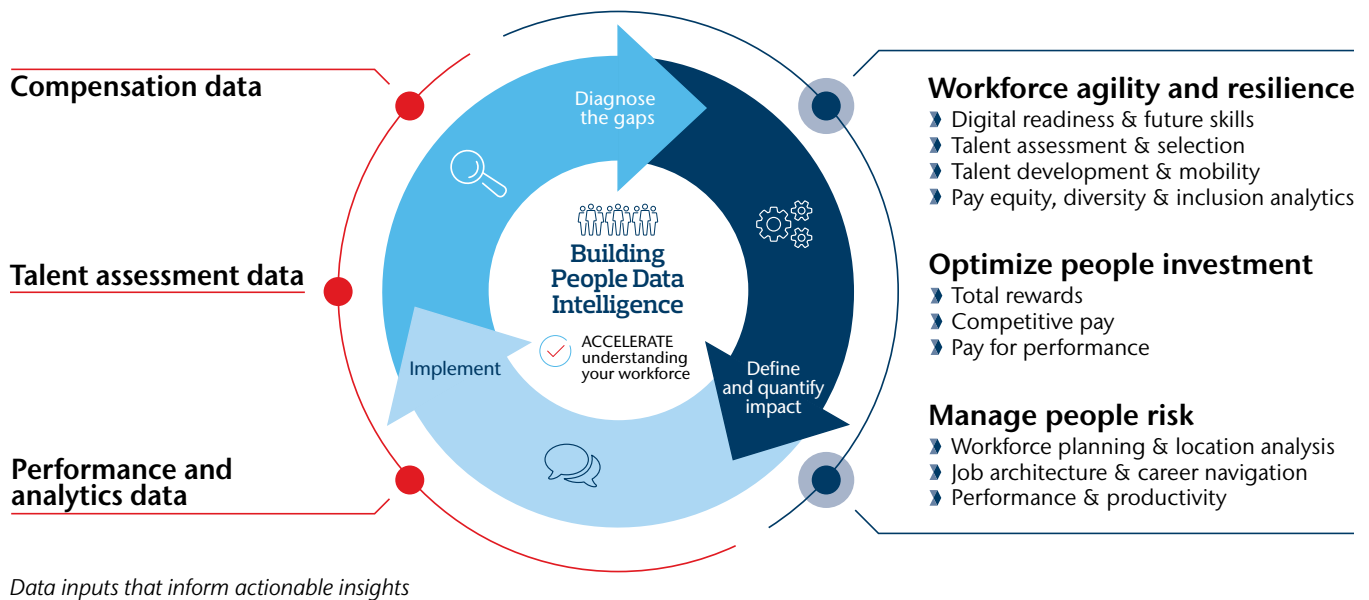
- Current skills amongst its workforce
- Where gaps exist
- How pay needs to evolve in order to recruit and retain employees with future skills
- A location strategy for meeting these hiring goals
- How future skill requirements translate into roles and workforce mix

# The Solution

## Data-Led Insights Through Multiple Sources

Aon’s human capital team partnered with the global bank, leveraging our Accelerate Model to identify and quantify the future skills challenges the business faced. Our client already had access to a wealth of data, but it was held in different places, creating a challenge to merge the data. As with many organizations, the firm lacked any market context or peer comparison.

The core tenet of the Aon approach is to base decisions on the best possible data – be it at an individual, organizational or market level. For this client, Aon brought together data from the firm’s current skills profile, market comparisons, rewards benchmarking and performance data with a focus on technology roles.





## Understanding Future Skills Gaps

By understanding how current jobs are likely to be of use in the future, the client was able to fully understand where there may be skills gaps that need to be developed or acquired.

### **Establishing future skills prevalence and benchmarking against peers**

Our starting point was to understand current talent that held future skills the bank would need to achieve its digital business strategy. We drew on established skills taxonomies to classify each role within the firm. From these, we were able to understand how those currently employed skills would be needed to support the future business strategy. By understanding how current jobs – and the associated skills – are likely to be of use in the future, the client was able to fully understand where there may be skills gaps which need to be developed or acquired.

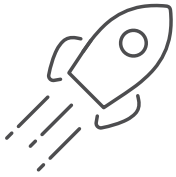
### **As talent needs change, organizations have three options to acquire skills:**

- Buy new talent
- Grow skills among current employees
- Rent skills from contractors if skills are needed for a limited time

### **The challenge is deciding which of these strategies to adopt – or how best to achieve a balance of the three approaches.**

Aon benchmarked the firm alongside a number of its traditional peers as well as some less traditional peers, including fintech and technology firms. In total, we examined practices and benchmarks for more than 30 peer group companies, totaling around 3.5 million incumbents. Adding non-traditional banking companies into the analysis gave a different set of insights. It meant discussion could take place around the characteristics, skills profiles, investment in technology and structure these firms had. The plan was not to replicate but to explore what our banking client could learn or take from less traditional peers to feed into its own talent strategy

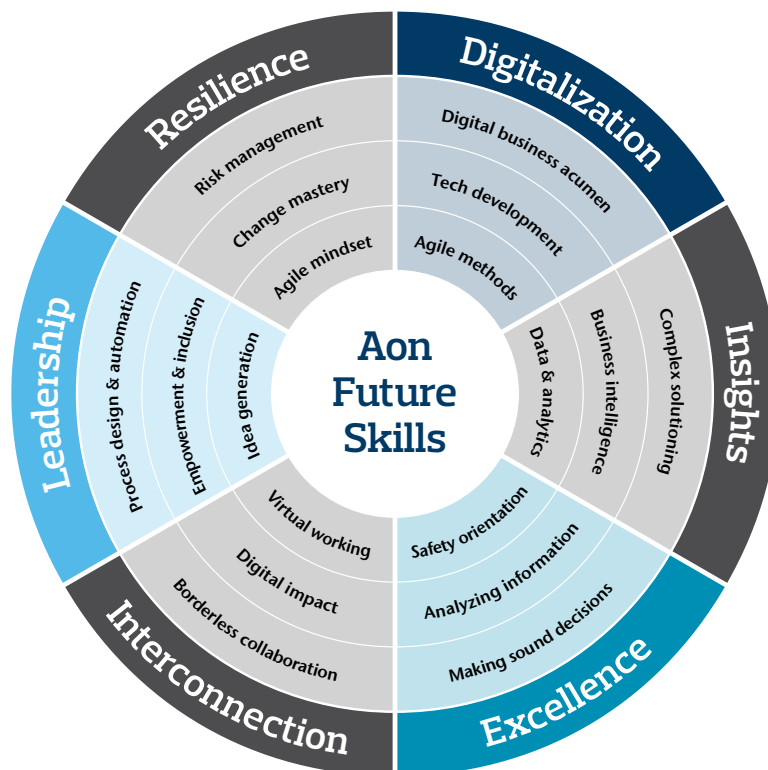
Aon's analysis also looked at identifying and quantifying the transferability and mobility of current skills. This helped to determine how talent could be redeployed in other areas of the business. The Aon Accelerate Model enables a calculation to be made and a mobility score to be allocated to current roles – essentially, an indicator of how transferable the current role's skill set is.



## What Are Future Skills?

Future skills are those which are essential for the ever-changing market and work environments. Future skills are not solely focused on the recognizable hard skills one might expect. They include those behavioral competencies needed for the growth of a more digitalized, automated organization which uses data-driven decisions as an additional differentiator.

When analyzing current skills, one challenge is that organizations define and label skills differently, making comparisons between companies and trend-spotting difficult. A single unified framework that enables job roles and their skills to be mapped and benchmarked resolves this. Aon's Future Skills Framework allows us to work with clients to develop consistent definitions and reporting standards. The framework was created by bringing together trends and research from global think tanks, research centers, client insights and our own rewards surveys, providing a sound structure and definition for future-leading skills. Skills are organized into 18 areas and allow for diverse skill libraries, categories and models that are currently in use across organizations to be mapped onto one unified framework.



# The Outcome



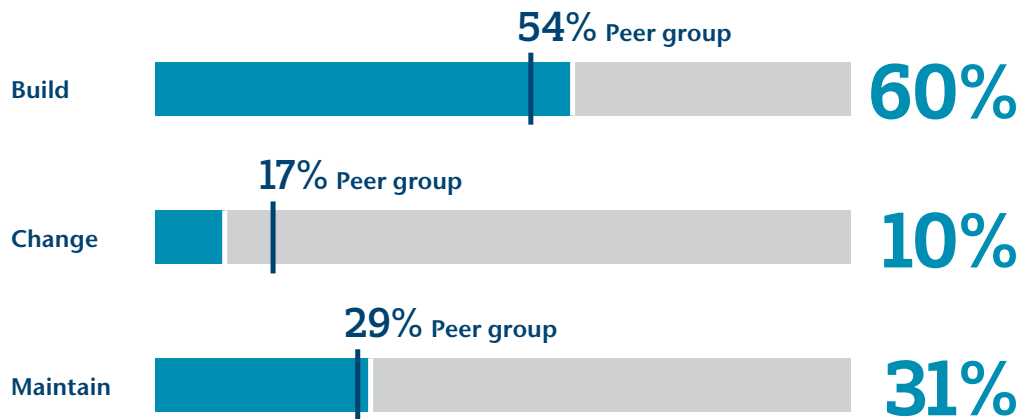
## Missing Digital Future Skills

While entirely suited to how it has operated in the past, the skills profile and workforce structure is not that of its digital future.

### Making Sense of the Data To Inform Talent Strategy

Aon brought together the bank's disparate sets of individual talent and job role data and the benchmarking capabilities of the Accelerate Model to make comparisons between the bank and its peers. The analysis showed that there is a future skills gap between where the bank is currently and where it wants to be. While entirely suited to how it has operated in the past, the skills profile and workforce structure is not that of its digital future.

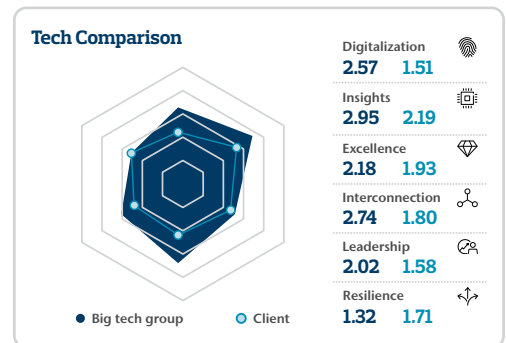
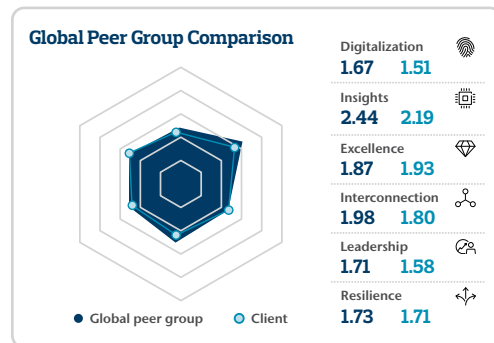
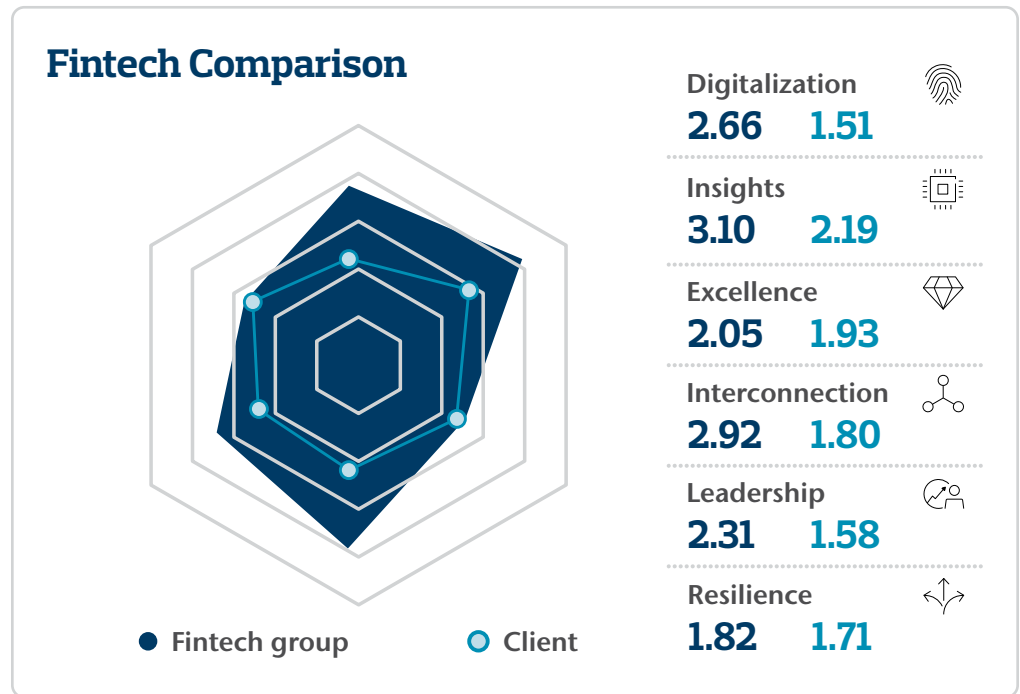
While seeing the gaps is interesting for any organization, the real value comes from interpreting the data and exploring the opportunities and implications. Our analysis found the bank's digital transformation journey had been slower than its peers. It had made comparatively low investment in technology, choosing instead to deploy people rather than technology to solve challenges. This led to having fewer revenue-generating roles than its peers. Technology spend had focused more on business maintenance rather than transformative technology.



Client's technology workforce breakdown

### Current skills match traditional competitors – but lag digital leaders

Aon compared the current jobs at the bank to its peers using our Future Skills Framework. It showed that the global bank was broadly in line with other global, regional and local banks for its future skills set, but was significantly behind fintech and technology firms. Redeploying employees from obsolete roles could be difficult, given the relatively low current future skill score.



Client's current skills profile vs. peer groups



“In order to drive an impactful reskilling and upskilling initiative, it is fundamental to understand the status quo and clearly define the future direction.”

Marius Grindemann,  
Director, Human Capital Solutions, Aon

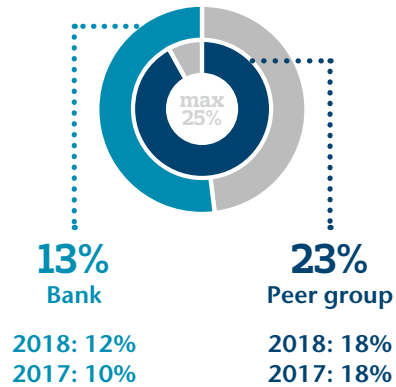


### Prevalence of future skills

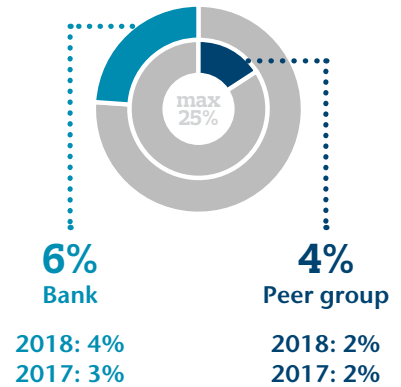
Aon conducted an analysis of the future skills prevalence within job descriptions of the bank's HRIS and benchmarked this to global peers. The results show:

- Technology development is a trending future skill for the bank, having increased from 10% to 13% of the job descriptions, but it still lags behind peers.
- There is an uptick in agile methods and data analytics, which is comparable to peers.
- The bank leads in its current prevalence of risk management job skills.

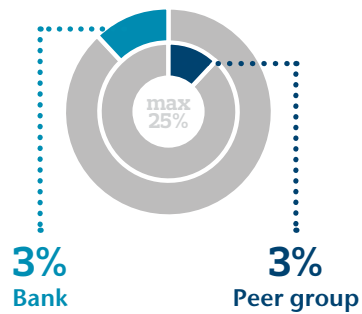
#### Digitalization Tech Development



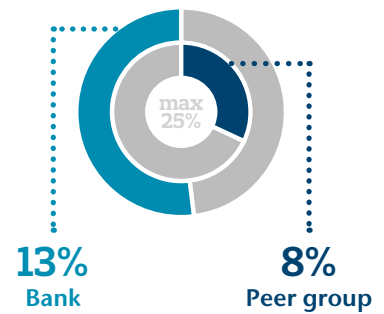
#### Digitalization Agile Methods



#### Insights Data Analytics



#### Resilience Risk Management

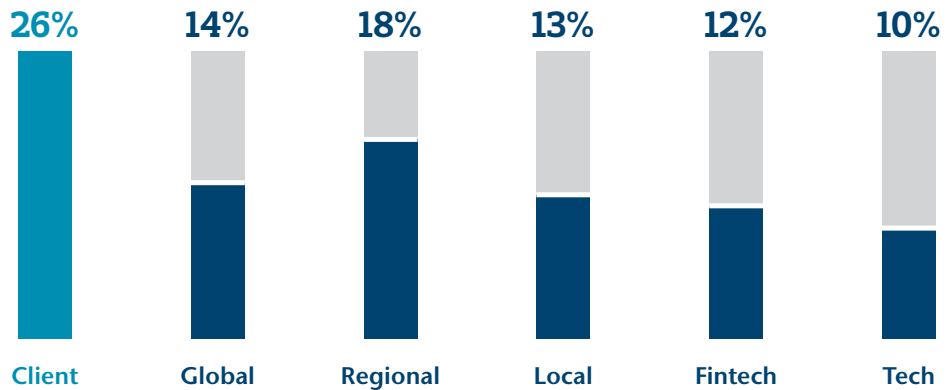


Current skills prevalence

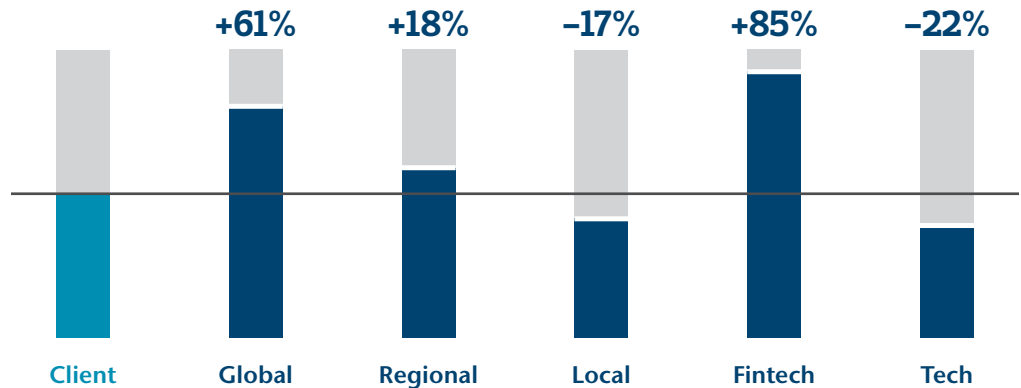
### Lower investment in technology and revenue-supporting roles

Digging deeper into the bank's data of its workforce mix, we found the client has significantly fewer technology roles than other global banks and more of its workforce sits in roles that indirectly support revenue. We flagged this as an area for opportunity.

### Proportion of Indirect Revenue Support Roles

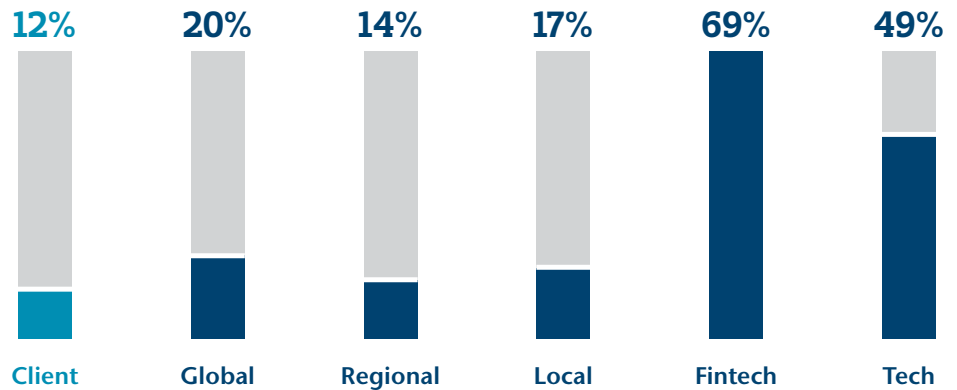


### Comparison of Average Salary for Indirect Revenue Support Roles by Peer Group

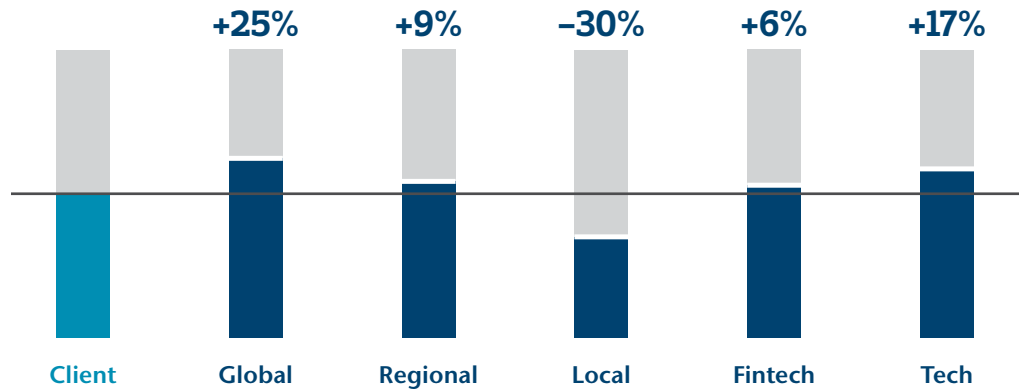


Compared to other organizations, our client has a relatively low investment in its technology roles. This was expected given the bank's strategy has been to address issues by increasing headcount rather than developing technology solutions and scalable growth through an agile workforce.

### Proportion of Investment in Technology Roles



### Comparison of Average Salary for Technology Roles by Peer Group



### **A future skills pay gap**

Our analysis also examined rewards data, looking not at current market rates, but rewards based on the role's future skills profile. Such analysis can inform rewards strategy and ensure that organizations recognize and properly value job roles with future skills. Our analysis flags areas of flight risk should pay levels be below market rate.

For our client, 78% of its future pivotal talent roles were identified as having a possible flight risk. Many of these jobs were found in mid-career levels, which are more costly to replace than entry and support-level roles.

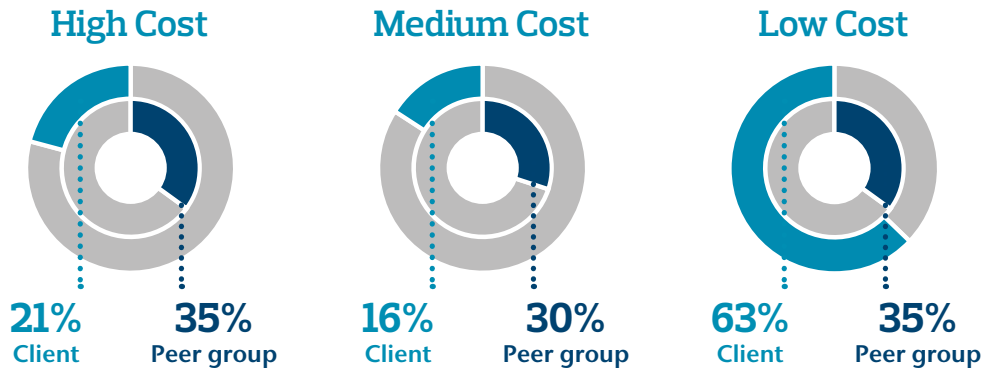
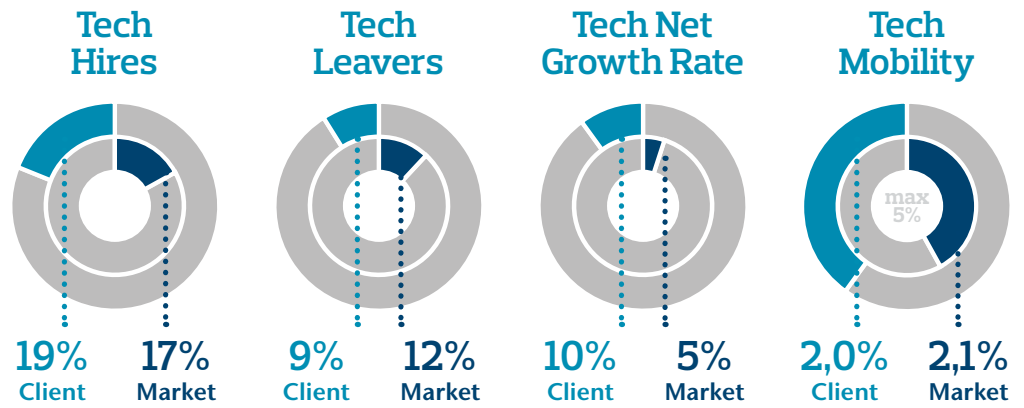
### **Limited mobility of talent, but potential to develop**

Aon calculated mobility scores for the bank's current job roles. It looked at both the specificity of skills and the generally more transferable behavioral skills to determine which of the current roles have incumbents with a skills profile that could be deployed elsewhere in the firm into more future-focused roles.

The analysis was clear. It showed that while there is limited opportunity to redeploy current employees given their likely skill set based on their current role, new skills and competencies can be acquired. With development, training and support to understand possible career routes, the current workforce can move to the future.

Aon's Accelerate Model was able to show that the bank had an above-market net growth rate in technology heads, suggesting that it would benefit from greater internal mobility to control cost. However, the client benefits from having a greater proportion of its technology workforce aligned to lower-cost locations than its global peers.

## Limited Mobility of Talent, but Potential To Develop



*On-shore, near-shore and off-shore mix*

# Recommendations



## Future-Proof Your Workforce

Companies understand that they need to build an agile and future-proofed workforce, but many are unclear of the steps to take. Aon is here to help.

Based on the analysis, our recommendations to this global bank were clear:

- ◆ Align the workforce structure to reflect investment in a digital banking model.
- ◆ Address the future skills gap through development and career support to help redeploy talent in the future.
- ◆ Explore rewards strategy for technology roles in line with the market to reduce any future skills pay gap.

“By bringing together multiple reliable data sets, we can unlock the exponential value of data.”

John McLaughlin, Commercial Officer EMEA, Human Capital Solutions, Aon

This is just one example of how we helped an organization reshape and optimize their workforce for the future. Aon’s Human Capital Solutions provides data-driven insights to make better workforce decisions and create stakeholder value through workforce agility and resilience, balanced with people investment and risk.



## More Information

To learn more about Aon's Accelerate Model, please download our guidebook at [humancapital.aon.com/accelerate-your-workforce-into-the-future](https://humancapital.aon.com/accelerate-your-workforce-into-the-future)



“Our approach transforms how talent strategy can be built by combining data that is typically looked at in isolation.”

John McLaughlin,  
Commercial Officer EMEA, Human Capital Solutions, Aon

# Contact

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Human Capital Solutions, visit us at:  
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Or contact us at:  
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## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

## About Human Capital Solutions

Aon's Human Capital business provides leaders with a powerful mix of data, analytics and advice to help them make better workforce decisions. Our team, spanning 2,000 colleagues in more than 30 countries, includes the firm's rewards, talent assessment and performance & analytics practices.

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