

WILL BANKERS EVER GO BACK TO THE OFFICE AGAIN?

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COVID-19 forced banks and credit unions to improvise for remote work and then they settled into technology and tools to see their operations through the pandemic. But having had a taste of working from home, many employees like the idea and could defect to rivals who will at least partially accommodate this new expectation.

A client at a large financial institution asked, “Post-pandemic if we can safely bring our employees back to the office, should we?”

This is a question that leaders at banks and credit unions of all sizes are pondering amid an uncertain future and wondering how it will affect the future of work.

Though the shift to many people working at home has challenged many organizations, somehow, results have not suffered. Many have not faced any significant decrease in productivity or threat to security as a result. While the urgency of the COVID crisis so far hasn't made what we have today a true test of remote working, financial institutions have had months now to see how remote working can succeed. The future holds more options to consider, many of which were deemed impossible in prior years or even prior months.

In answering the question I posed above, there are dimensions many financial institution executives may not be thinking about yet. But they need to.

COMPETITION FOR BANKING TALENT IS CHANGING

A growing population of fintechs, big techs and challenger banks have appeal to segments of traditional institutions' customer bases. Institutions see them as competition for market share. But increasingly, they must also see them as competition for talent.

And when it comes to remote working culture, the competition is ahead of the traditional financial services industry. Furthermore, the way that financial services employees think about remote work is evolving.

Many employees have proven they can work effectively from home, and now that they have, many want to. In fact, privately, they demand to. Flexible working arrangements are no longer a perk – they are becoming table stakes. Starting with working parents' demands to have flexible working locations and schedules, the nine to five standard has essentially gone out the window.

And when the nine to five working arrangement becomes relaxed and extends to working non-parents, this population starts to wonder why they even need to live near their office. Why pay to live in an expensive city studio when you can have an easy acre in the country? Why work from home when you can log in and do your work from an Airbnb by a beach?

As employees start to ask these questions, banks and credit unions face some practical questions of their own to answer. These include:

- With employees working anywhere, at any time, how do banks and credit unions ensure both organization and client data remain safe?
- How do bosses know who is too busy to take on more work and who is too distracted to be productive?
- Is there any way of telling if you're meeting your goals or vastly behind?
- Has your institution lost control of the reins?
- Or has technology enabled a world where we can truly have it all?



ASIDE FROM COVID-19, WHAT HAS CHANGED? PLENTY

Offices became historically important in the first place as a place to communicate and collaborate. In banking, for years, the bank was where the vault was.

Now, through tools like Zoom, MS Teams, Slack and Mural, companies no longer depend on having desks within earshot of each other or conference rooms to brainstorm in. Institutions can (and have) made all of those things work across their teams regardless of location.

In fact, 98 percent of employees have stated that they would like to work remotely at least part-time for the rest of their career, according to Buffer's [2020 State of Remote Work Report](#).

In addition, International Workplace Group [research](#) found that 80 percent of employees wouldn't take a job that didn't offer flexibility and that 30 percent of employees left a job over flexibility issues.

Employee expectations are changing. Sixty percent of employees surveyed during a recent Capco engagement said that if their company didn't offer flexible work arrangements, they'd look for another position. There is increasing sentiment that employees have proven they are accountable for their work regardless of location.

Post-COVID, employees will see the loss of this newfound freedom as though they are not trusted by management despite the evidence that they're performing more than well enough to be trusted. In our recent work with a client, 64 percent of participants said they felt more productive, engaged and motivated working remotely, and nearly 80 percent stated they trusted their colleagues to be accountable when working from home.

There is another wrinkle regarding the cost of setting up for long-term work from home. While there is still no timeline for when a safe return to the office may be an option, there is also changing

sentiment about how employers accommodate remote work in the interim.

Many employees are no longer delighted by one-time stipends for technology and home-work accessories. They expect to work remotely, at least part of the time, for the long haul. In line with this, there is an expectation that companies will invest in the ongoing success of remote work.

Beyond employers paying for home office expenses, employees surveyed also expect remote and in-office employees to be subject to the same performance and promotion standards – they believe working remotely shouldn't change anything about their career progression.

The emphasis on the outcome of work rather than time spent working has been a shift in mindset for years. We are seeing that now as an imperative for fair employee recognition and rewards.

WIDESPREAD HOME OFFICE WORK CHANGES WORKPLACE DYNAMICS

Technology isn't enough. If financial organizations don't have the appropriate mindsets and behaviors in place, institutions are more likely to work in silos and only providing a voice to the "loudest voice in the Zoom." Companies can also become less inclusive, connection and purpose likely deteriorating as a result. Managers must work harder and smarter to create a sense of team now. And if institutions don't have the right security measures in place, not only do they risk not meeting regulatory requirements, but both companies and employees could be held accountable.

The good news is, it's not all about changing expectations that threaten disruption in the workplace. Since switching to working remotely, many companies have seen a host of benefits.

The question of sustainability remains. There has been an increase in empathy between teams and managers as we feel "we are all in this together." Many feel as though this empathy has brought their team closer. Seeing people in their homes with their families, the art on their walls, and having their pets interrupt conference calls have made them more human, more relatable, and deepened.

However, will this decrease over time? Sixty-three percent of respondents from our recent engagement said they miss working with their colleagues in person. And many have concerns that as we onboard new employees over time, it will be difficult to build new relationships and maintain company culture.

HOW CAN YOU DETERMINE WHAT'S BEST FOR YOUR INSTITUTION?

The best way to know what will work for your people is to ask them. A survey makes a good starting point.

However, surveys can't get at all of it. Employees may have mixed feelings, feeling both more productive but less focused, for example. That makes surveys harder to rely on. In our research, we talked to people in-depth to identify and understand employees' pain points and motivations.

Times are changing, and employees don't support returning "back to normal" but instead moving forward to what is next. The good news is it's not an all-or-nothing choice. New and inventive ways

to approach the future of work with technology enable teams and behaviors and rituals to empower employees. The more banks and credit unions include their employees in that process, the more likely they are to reach a solution that balances both the institution and staff needs.

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