

# McLagan Presents

## Forces to Watch for Financial Services Firms Across the Globe

Understanding the top issues of the day can help you prepare for a successful tomorrow.



### The talent battle continues

With competition for skilled and specialized talent being an important differentiator in a changing industry landscape, many **financial firms across the globe are examining their cultures and grappling with fresh management approaches** as they try to adopt best in class tactics from other sectors. This includes taking a look at the talent and rewards practices of top tech industry leaders.



### Pressure for transparency is increasing

We continue to see heightened regulation on business and pay. **Emerging laws have added pressures for increased transparency surrounding compensation data externally to the market.** This was the first year of CEO pay ratio disclosure for the U.S. and say-on-pay was introduced for shareholders at the EU level. Firm pay practices will now be more visible and structural reevaluations are inevitable.



### Globalization across borders has re-surfaced

**Expansion across borders and the ability to manage this effectively is critical for the survival of financial services firms.** However, such considerations are challenged by the complexity of managing multi-national institutions that are subject to variations, or even conflict, in regulatory controls. In the next decade, we cannot ignore the potential for Chinese or Indian firms to embark on global expansion, particularly given trade flows and China's Belt and Road initiative, which will certainly create demand for a Chinese bank that has linkages to Asia, the Middle East, and Africa.



### Customer expectations are changing

Customer centricity has been a mantra growing in the business world for quite some time and now we are seeing it within financial services. Although it can be difficult to move away from a product-centric approach, there is an **indisputable emphasis on firms listening to their clients and feeling the pressure to react to feedback quickly.** Setting business goals and offering technologically-backed solutions and products to help grow revenue. Aligning reward structures and getting the right talent in place is key for supporting these new business objectives.



### The FinTech sector is creating its own niche

The FinTech sector is rapidly growing as the demand for technology solutions for financial firms and consumers of tech-enabled financial products continues to surge. The sector offers lucrative potential partnerships, investments, and a fundamental future of innovation. There is no denying that **the emergence of FinTech further supports the entire financial services industry's push towards a world of digitization.**

To learn more about global talent, rewards, and performance trends that are shaping financial services in 2018 and beyond, download our **McLagan Perspectives Report: [mclagan.aon.com/perspectives](http://mclagan.aon.com/perspectives)**

If you need help navigating the talent and reward implications of these forces, reach out to your McLagan relationship manager or [info@mclagan.com](mailto:info@mclagan.com).