

Understanding Your FinTech DNA to Create a Culture that Truly Stands Out from the Crowd

When it comes to creating compelling company cultures, financial technology (FinTech) firms are in an enviable position—they can pick and choose best practices and styles from both the financial services and technology sectors to carve out their own path.

The competition for talent between the financial services and technology sectors—and FinTech firms in between them—has never been as fierce as it is today. This dynamic is particularly challenging for traditional financial services firms and FinTech companies with deep roots in the financial sector, which tend to have corporate cultures and rewards practices focused on vertical career hierarchies, stability, compliance, and risk management. In contrast, fast-moving technology companies typically attract talent with their cultures focused on outsized rewards, unique perks designed to promote work-life integration, innovative projects, and risk-taking. While not universally true, for these reasons, technology companies are highly attractive to key technical talent.

FinTech firms face many of the same challenges when competing with technology companies, but they also have a unique opportunity to blend the best of both worlds to create something new and compelling. To set the stage, below we begin with an overview of how some of today's highest flying technology companies, like Google and Facebook, set themselves apart from the pack. It's not only about paying more than everyone else, which helps, but also includes a number of important cultural practices.

What sets turbocharged technology companies apart?

Turbocharged companies are game changing. Beyond their immense growth, these firms also add exponential value to society, changing the way we live day-to-day and transforming our quality of life for the better. Since culture-related strategies are one aspect with which smaller firms can compete, let's take a closer look at what turbocharged companies are doing.

Creating a magnetic Employee Value Proposition: In today's tight labor market, compensation and benefits can only go so far—you can and *will* be outspent if that's all you have to offer. While having competitive rewards is important, employees are now much more likely to stay at a company that also offers them high impact work, great managers, and a culture with appealing values. The Employee Value Proposition (EVP) is the idea of having an integrated and unified vision and strategy, based on the organization's business goals and values, to create a magnetic work environment and brand that drive employee attraction, engagement, and retention. An EVP looks at all the different touch points within the employee lifecycle and provides a common framework and goals for the

development of talent and rewards programs that effectively engage employees, while supporting company cultural and business standards. This holistic approach ensures that HR programs not only work in concert, but also that they act synergistically and communicate and reinforce a consistent message. This also avoids Band-Aid programs that react to immediate needs, but often create future conflict with established goals. Turbocharged companies are invariably followers of the EVP philosophy, integrating it into their overall business strategy. They also design their HR systems and programs around established propositions, and use them to create powerful and compelling brand stories that make current and prospective employees think, “I want to be a part of that!”

Engaging your people through culture: Both the McLagan Talent Pulse Study of financial services firms and the Radford Talent Pulse Survey of technology firms reflect a common thread—turbocharged companies place a greater emphasis on culture and engagement. They know that engaged employees drive happy customer relationships and happy customer relationships drive better business outcomes. As a result, while these companies are still aggressively seeking to acquire top talent, they are increasingly turning their attention towards engaging and developing the employees they already have and maintaining the cultures that have made them successful. We like to say that turbocharged companies are in a sense, obsessive about culture. They focus on preserving their strong and unique cultures as their organization grows, hire based on cultural fit as much as skill-based qualifications, and view employees as drivers of culture.

Additionally, turbocharged firms are constantly seeking new ways to improve and amplify their existing cultures in the hopes of making them even more attractive to prospective and current employees. In a recent [The One Brief article](#), Aon discusses the rise of corporate social responsibility (CSR) and why companies are so committed to social impact. “When companies are successful, their mission and commitment to CSR are intertwined, creating a favorable brand reputation that extends from products to the balance sheet to culture. It’s not coincidental that companies such as Cisco, Disney, Google, Intel, and Microsoft rank among the [Fortune 100](#) as well as the top 10 [companies by CSR reputation](#).” A company’s commitment to CSR is part of a broader mission or purpose that follows a *let’s change the world together* mentality. This not only provides positive consumer and external recognition, but can be a source of pride and engagement for current employees—and an attractive reason for top talent to choose one firm over another.

Creating a compelling culture at your firm

The term FinTech has historically been tied to the stringent laws and traditional practices of financial services. As a result, the sector is often viewed as being stuck between two worlds. However, the workforce is changing and talent strategies are adapting to create a specific niche for FinTech. To remain relevant and in the running for quality talent, firms must create a strong purpose and employee value proposition that effectively strikes the balance between both parts of this niche sector’s name—finance *and* technology.

With this in mind, FinTech firms should follow these three steps to use culture to their advantage when attracting and retaining employees:

1. Define your firm’s DNA

First, clearly define who you are as a firm, your mission, who your people are, and what you look like:

- What values are reflective of your firm and leadership team?
- What do your employees value?

- Beyond extrinsic rewards, what about your mission and work environment motivates employees to perform at their best?
- What companies, in the financial services and technology sectors or other areas, inspire you from a cultural perspective?
- From what types of companies are you attracting talent? What cultural norms and expectations are they bringing to your company?

Create a mission and define what purpose you serve in your niche. In other words, who are you as a firm—what's your DNA? According to the Radford Talent Pulse Survey, 69% of turbocharged companies describe their organization's culture as people-oriented. Understanding your firm, its core values, and employees is key. Think in the order of people, jobs, and then rewards. The McLagan Talent Pulse Study found that financial services firms are shifting their focus to retaining their best talent through better performance management and a culture that is more closely aligned with their strategic priorities. Firms that start with defining who they are and how their culture should reflect their DNA prove to be the most successful.

2. Establish a strong employee value proposition

The Employee Value Proposition should shift from it's a great opportunity to I want to be a part of that. FinTech firms should attract potentials and high performers with magnetic EVPs that encourage engagement and meaning. The notion that today's modern age calls for only trendy perks like free meals, the ability to bring your pet to work, ping pong tables, and more is false. Actions and investments in employees that instill value and contribute to the overall wellbeing of the firm and employee go a lot further.

Listed below are factors that many FinTech firms are using to create a culture that supports a strong value proposition and meaningful workplace that your firm can adopt:

- **Collaboration:** Embrace open office layouts with pods and meeting rooms to encourage teamwork.
- **Max impact:** Include opportunities and ways to make the world better and provide deeper meaning to the work employees are doing.
- **Continuous conversations:** Deliver open conversations with your manager, receive clear and consistent feedback on performance, and use a ratings system
- **Personalized experiences:** Develop a variety of options as opposed to strictly-formalized curriculums that everyone must follow.
- **Belonging:** Create an engaging environment that makes everyone feel like they are a part of something.
- **Continuous Learning:** Offer meaningful development programs for employees including education, training, and career paving and planning. Enable managers to coach employees.
- **Curiosity and Innovation:** Build an innovation lab and instill firm values in what you do.

Like technology companies, FinTech firms are focusing on system-based output and productivity, instead of time. Establishing your identity and values will help establish how you operate as a firm, drive culture, and, in turn, increase performance.

3. Spend your money wisely

Not all companies can afford to pay above the market, but there are other ways to keep employees energized and investing in culture is the most effective. It's important to spend intelligently and know where you get the most value for your money given its alignment to your vision. Many firms are consciously being more selective with merit

increases and bonuses, reserving noteworthy rewards for the highest impact employees. In doing so, they are wisely avoiding the peanut butter spread approach, where mediocre increases are awarded to everyone across the board. Additionally, although new tech-enabled skills are needed, the best way to respond may not be to focus on external hires. We recommend that firms roadmap what their business priorities will be, identify current and future critical skill sets and roles, and determine when and how new skills and roles will come into (and phase out of) their workforce. This enables you to more effectively plan a holistic response to business growth and demands that leverages and develops your current workforce, ensures that your hiring budget is spent where it will provide maximum business value, and avoids creating situations that are inconsistent with your firm's vision.

Once again, this links back to culture. People want to know that you are investing in *them*, which will drive employee engagement. McLagan's extensive research shows that highly engaged employees are 36% more likely to stay at an organization and have 55-percentage-point higher Net Promoter Scores than their actively disengaged peers. According to the Radford Talent Pulse Survey results, 84% of turbocharged companies measure engagement formally, and 56% of them plan to pulse their employees more regularly in the future. This is a theme that will continue to gain momentum as firms realize the benefit of acquiring additional data with frequent check-ins. This data can then be used to course correct more effectively.

Finding the perfect balance can be difficult, but it's critical

What it really all comes down to is how to increase your people's productivity. As mentioned above, start by defining your core values. Communicate them clearly and base your culture off these tenets. This will support the achievement of your firm's overall mission. Then provide purposeful rewards that reinforce your established, highly curated culture.

When adapting to the current technology-infused work environment, financial services firms must grapple with longstanding foundations and stringent laws, unlike technology startups, which can build their cultures from the ground up. While FinTech firms *are* a part of this tightly bound industry, we must acknowledge that they are also their own niche with the ability to balance appealing aspects of both financial services and technology. Therefore, FinTech has the opportunity find that perfect balance and, just as new technology companies, build a self-defining culture that people want to be a part of—a culture that firms should tend to and fiercely protect.

To learn more about culture in FinTech firms, please [contact our team](#).

Author Contact Information

Karl Mischenko

Director, McLagan

Aon

1.203.602.1268

karl.mischenko@mclagan.com

Brooke Green

Partner, Radford

Aon

1.415.486.6911

brooke.green@radford.com

Dan Weber

Director, Radford

Aon

1.512.915.0792

dweber@radford.com

About McLagan

McLagan provides tailored talent, rewards, and performance expertise to financial services firms across the globe. Since 1966, we have partnered with the largest and smallest financial services firms to help them make data-driven decisions to hire, retain, and engage the top talent for keeping the global economy running. Our compensation surveys are the most comprehensive, in-depth source of rewards data covering over 150 countries from more than 2,500 clients. Our consultants work with hundreds of firms annually to design total rewards programs and benchmark financial performance for boards of directors, executives, employees, and sales professionals. McLagan is a part of Aon plc (NYSE: AON). For more information, please visit mclagan.aon.com.

About Radford

Radford partners with technology and life sciences companies to reimagine their approach to rewards, empowering them to achieve superior levels of people and business performance. Radford is part of Aon plc (NYSE: AON). For more information, please visit radford.aon.com.

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.

For further information on our capabilities and to learn how we empower results for clients, please visit <http://aon.mediaroom.com>.

This article provides general information for reference purposes only. Readers should not use this article as a replacement for legal, tax, accounting, or consulting advice that is specific to the facts and circumstances of their business. We encourage readers to consult with appropriate advisors before acting on any of the information contained in this article.

The contents of this article may not be reused, reprinted or redistributed without the expressed written consent of McLagan. To use information in this article, please [write to our team](#).

© 2018 Aon plc. All rights reserved