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The Spotlight

The Spotlight is a regular Q & A feature that showcases our people, their expertise, and trending topics that are on top of our clients' minds directly from the voices of our business leaders.



Adithi Jagannathan, Associate Partner, European Consumer, Commercial & Corporate Banking

Adithi Jagannathan focuses on corporate and commercial banking within the UK and Europe. She advises clients on compensation-related topics, pay banding, variable pay, and incentives. She also assists firms with their rewards strategies and manages relationships with key global banks in the UK, as well as international banks with presence in the UK and Europe. Previously, Adithi worked on the banking and capital markets team in India for seven years, managing the McLagan rewards surveys and advising clients on rewards across sectors, including investment banking, private equity, corporate banking, and commercial banking.

Questions and Answers

What are the top-of-mind HR and rewards trends in the consumer & commercial banking sectors in Europe?

Banks are undergoing a period of change, with multiple disrupting forces in the market and increasing pressure due to economic slowdown, Brexit, and COVID-19. However, it's important for banks to take this time as an opportunity to look inwards and see how they can adjust existing structures and practices. Many small and mid-sized banks are establishing job architecture, reviewing organisation structures, and ensuring people efficiencies. On the rewards side, the key theme is "doing more with less" and making sure all efforts have maximum impact on the right people.

How do rewards impact the evolving employee value proposition (EVP) of banks?

With limited rewards budgets and smaller bonus pools, banks are forced to strongly consider the broader employee value proposition. Aspects like spend on recognition, innovative benefits, wellness programmes, and financial wellbeing are now at the forefront for all HR professionals. Additionally, banks are focusing on how to ensure their EVP is sufficiently compelling for the diverse employee segment.

What are the three biggest rewards challenges for banks in the UK and Continental Europe?

Cost pressures leading to smaller or limited bonus pools; headcount rationalization and optimisation; and getting the right rewards philosophy and architecture in place.

How has the impact of Brexit affected banks in Europe and how are firms responding?

Banks are currently facing many challenges, including Brexit and the business impact of COVID-19. The effects that COVID-19 and Brexit are having on people and rewards is difficult to quantify, as their exact implications are still unknown. With Brexit, we do see banks focusing on a few key tasks, the main one being hiring the right key talent in European markets. This places increased pressure on rates for roles like CRO and CFO, as well as strategy / transformation jobs. Continental European banks are confronting their own cost and returns obstacles, causing them to pay extra close attention to over inflation of compensation in local markets due to hiring new roles. However, the influence of Brexit on pay across core markets, like Germany and France, has been rather muted, with the most significant impact limited only to senior roles.

What's your top piece of compensation advice for international banks with a presence in the UK and Europe?

Keep your compensation plans simple, transparent, and aligned to the organisation's broader business strategy.