



Holding on to talent in the complex world of financial services



The Financial Services Authority is an independent, non-governmental body that regulates the UK financial services industry. Employing 2,900 people, it has a wide range of rule making, investigatory and enforcement powers.

Its position and function, in what is becoming an increasingly complex industry, gives the FSA a unique set of challenges when it comes to holding onto talent.

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Jane Cathrall is Head of Human Resources and Resourcing for the Authority and has functional responsibility for a team of HR relationship managers within the FSA. Her role covers resourcing which crosses over recruitment, talent management and measurement, including retention.

“Retention has big focus in the FSA because so much of our work relies heavily on the experience and behaviour of the people we employ,” she says.

“However, I believe it is an overarching issue that crosses over all aspects of the employee proposition. We need to be aware of the impact of attrition and to measure it closely, but retention is not a specialism in the same way that recruitment is. The solutions lie in other specific areas such as recruitment, performance management and training.

We use these specialisms to tackle retention issues and adapt them to respond.”

“At the FSA, we have to accept that people come to us for different reasons. Some come for a career in financial regulation and others to enhance their CVs in the industry by working at the regulator. We need to adapt propositions to accommodate these different groups of people.”

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The challenges of a complex market

The financial services market is experiencing greater complexity together with increasing innovation in financial products. Jane believes this will give rise to a growth in people specialising in different markets and products which, in turn, will give rise to a shortage of skills. Combined, these factors will make the sector very competitive.

“There is a market for people who understand financial regulations, and of course we have some of the best people in the country, so it is a challenge for us to keep hold of them,” she says.

“We want people not just with technical skills but strong interpersonal skills: people who can build relationships.”

To date, attrition for the FSA has been at a manageable level as far as minimising the impact on the organisation is concerned, but as Jane points out, if it were to lose significant numbers of people or, in particular, people with certain skills, this would impact on its ability to deliver services or on projects.

“Recruitment costs money and can divert management attention,” says Jane.

“Basically it’s about keeping the show on road and maintaining a focus on retention.”

Although Jane does not view retention as a specialism, it is given a lot of attention. For instance, resignations are monitored on a weekly basis.

“We look at who has resigned, their performance level and their reason for going, so we can quickly pick up on trends and react accordingly,” Jane explains.

“We are working with TalentDrain and finding it extremely useful. We’re working with them on tracking the engagement of new employees as well as people who are leaving: this is useful in targeting our efforts. We analyse the results in detail so that we are completely on top of what the issues are.”

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Holding onto talent

Given that the FSA is often used as a stepping stone to advance careers in the industry, together with the complexity of the market, holding on to talented people must be a huge challenge for the organisation. So, how do they hold on to key employees?

“We do have retention payments,” explains Jane, “and we identify those people who are vital or whose skills are particularly in demand in the market. We look closely at why people are leaving and work on the reasons people give for moving on.”

“A lot of the time people say they are leaving for career development, so we are putting a lot of effort into developing career propositions. We respond sensibly and seriously to the messages we get: what we don’t do is have a knee jerk reaction, for example, we don’t counter offer because experience shows that doesn’t work.”

“It’s very easy to blow a bit hot and cold on retention. If there is no problem then the tendency is not to focus on it and so you don’t spot emerging trends. What we’ve been able to do, while retention isn’t wildly out of control, is to maintain a consistent focus so we can pick up on any early trends. However, in some organisations, where attrition is low, there might be a temptation

to stop looking at it and that could be a danger. Using TalentDrain questionnaires enables us to get an effective picture.”

The FSA also use regular staff satisfaction surveys to measure employee engagement. An organisation-wide satisfaction survey was completed in the Autumn of 2005 and the results compared with the exit data to add another dimension to the picture.

“We report on turnover on a monthly basis to our executive committee. We take the TalentDrain output and use the information to track and to respond seriously and sensibly to issues.”

“Our approach accepts that some people will make a career with us and others will spend couple of years and move back into industry. We try to make time with us worthwhile. Obviously, if we identify good people we want them to stay, but we philosophically accept some will leave.”

“A dedicated relationship manager can make the link between recruiting mistakes that are translating into retention problems.”



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The responsibility of line managers in retention

The FSA has developed an HR ‘business partner’ approach with its line managers that Jane feels works well. The HR ‘business partner’ is able to have a holistic view as they get to see a bigger picture of the employment issue.

“If you deal with one person for recruitment, another for training, another for contracts, I wonder if there is the ability to join that up?” questions Jane. *“A dedicated relationship manager can make the link between recruiting mistakes that are translating into retention problems.”*

“Line managers are naturally focused on delivery. They want HR people who can really understand the things that help people stay or move when the time is right. You can’t have a knee jerk reaction to things like retention but you need to consider what your management information is telling you.”

“Retention is a difficult area: nobody likes to lose talented staff. But any organisation has to expect a degree of competition for their top performers. They should respond accordingly in the context of the overall employee proposition and not just resort to short term measures. These can work but there needs to be an understanding of what is being offered to employees across the board.”

For more information, please call TalentDrain on +44 (0)870 760 6598 or e-mail info@talentdrain.com. www.talentdrain.com