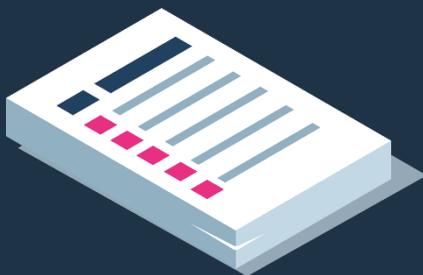


How to retain the best staff in financial services

*Measuring staff skills can help FS employers
build and retain the best talent*



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Introduction: keeping the best staff

Holding on to the best staff is fast becoming a critical management challenge for financial services (FS) employers.

The industry has long faced challenges with high staff turnover. In recent years, surveys have revealed turnover of 18.6% in the United States (US)¹ and 13.7% in the United Kingdom (UK).²

As the world bounces back from the Covid-19 pandemic, these challenges are becoming even more apparent. Across all industries, 52% of American workers claim they are looking for a new job, according to a study for the Achievers Workforce Institute.³ After a year of staying put due to economic uncertainty, many are looking for new opportunities.

High staff turnover is bad for business. It drives up recruitment costs, damages internal and customer engagement and makes it harder for employers to nurture the right culture.

This paper sets out how employers can use the valid and reliable information from staff assessments to make better decisions about managing the workforce and so increasing staff retention.

For a personal consultation about how Questionmark can help, please book a demo:

<https://www.questionmark.com/request-demo/>



¹ <https://www.cignaglobalhealth.com/na/en/knowledge/attracting-and-retaining-millennial-talent.html?section=employers-brokers>

² <https://www.e-days.com/news/employee-turnover-rates-an-industry-comparison>

³ <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/turnover-tsunami-expected-once-pandemic-ends.aspx>

Understanding the problem

Why do employees choose to leave?

Employees may choose to leave their jobs for many reasons.

Unsurprisingly, pay is a factor. A ten percent pay boost is associated with a 1.5% higher chance that a worker will stay with their employer for their next role, according to data from company review site, Glassdoor.⁴ But pay is far from the only factor.

Before the pandemic, surveys regularly found that the lack of career progression was one of the main reasons that people leave their jobs.⁵ During the uncertainty of the last 18 months, many workers may have chosen security, to stay where they were. However, as economic confidence returns, we are seeing that many are seeking to “make up for lost time” and search out new opportunities.

The culture of an organization is also one of the main reasons that people leave their job.⁶ As employers move toward new post-pandemic working arrangements, they must try to ensure that a cohesive and positive culture can operate across increasingly remote workforces.

The costs of poor employee retention

High staff turnover is expensive for employers.

Overall, lost productivity and knowledge alongside new hiring, training, and onboarding fees translate into costs of around a third of annual salary.⁷

For many roles in FS, this figure can be considerably higher. Talent management company Retensa estimates that replacing an analyst can cost 50% of annual salary. When it comes to replacing people in customer-facing or business-development roles, employers may have to invest 200% to 400% of annual salary.⁸

So, firms that do not understand why their people may want to leave and take action to prevent such departures, could face significant losses. That is a particular risk this year as employees with pent-up ambitions to move on, are able to start looking.

⁴ https://www.glassdoor.com/research/app/uploads/sites/2/2017/02/WhyDoWorkersQuit_Glassdoor.pdf

⁵ <https://employeebenefits.co.uk/employee-retention-top-5-reasons-employees-leave-their-jobs/>

⁶ https://www.glassdoor.com/research/app/uploads/sites/2/2017/02/WhyDoWorkersQuit_Glassdoor.pdf

⁷ <https://www.ere.net/getting-ahead-of-the-looming-employee-exodus/>

⁸ <https://retensa.com/clients/clients-by-industry/banking-finance-turnover/>

How assessments can help

Here are five ways in which online assessments can help increase retention and reduce employee turnover.

1. Better recruitment

If employers recruit the right people, they are more likely to stay. In most organizations, someone who leaves within the first year will generally have been a poor hire. And since around a third of exits relate to people leaving in their first year,⁹ improved recruitment will reduce turnover. Many argue that it is better to get it right, than to hire in haste.

By testing the skills and attitudes of candidates before making the decision to hire them, employers can make better recruitment decisions.

2. Improved onboarding

Good onboarding can contribute to improving retention in the short and longer term. Employers can test new starters during the onboarding process to ensure that they are learning what they should. Helping people settle in quickly makes it more likely they will want to stay.

For instance, if there are ten onboarding areas, then each one can have a test. So employees and managers can check progress and direct training or learning appropriately.

3. More relevant training

Assessments have a crucial role in helping employees improve skills and their careers. When employers correctly understand a team member's current skills they can ensure that the training they deliver is tailored and relevant to them. This increases their engagement with the training and convinces employees that the business leaders are helping them reach their career goals.

4. Recognize progress

Investing not only in training employees but awarding them with certifications that reflect that achievement significantly enhances the sense of career progression and direction.

⁹

<https://info.workinstitute.com/hubfs/2020%20Retention%20Report/Work%20Institutes%202020%20Retention%20Report.pdf>

A certification program gives employees short and medium-term goals to work toward. It increases the relevance of training and can increase staff engagement.

According to the IT Certification Council's Value of Certification white paper, 67% of employees who get certified report feeling more confident in their job skills.¹⁰ Some 40% have increased job satisfaction.

Certifications also help reduce employee turnover. Around a quarter of IT decision makers say they help improve retention, according to Global Knowledge's 2020 IT Skills and Salary Report.¹¹

5. Identifying issues and predicting employee retention

Employers can track scores from assessments, such as onboarding, annual compliance tests, training tests and correlate them with employee longevity.

By doing so, employers can identify risk factors that require intervention to prevent employee churn. They can also identify successful patterns and develop strategies to replicate them across the whole organization.

This opens a great opportunity to drive business value from assessment data.

For more detailed information read the Questionmark white paper: [“Five ways assessments can help retain employees.”](#)

¹⁰ See <https://www.questionmark.com/nine-interesting-findings-from-the-itcc-value-of-certification-white-paper/> for a summary and a link

¹¹ See <https://images.globalknowledge.com/wwwimages/web/salary-report/current/it-skills-salary-report-2020-global-knowledge-en-ww.pdf>

Conclusion: avoiding a mass exodus

Staff retention is an increasingly urgent issue that FS employers must address.

Workers may have stayed put during the pandemic. But as optimism and normality return, employers may lose their best staff.

Without action before it's too late, firms may risk a mass exodus that will increase costs significantly.

Staff assessments can be used to assess the skills and attitudes of the workforce, and that can help improve staff retention.

With this information, employers can create tailored and meaningful career development plans, increasing engagement. Further assessments can measure the development of new skills and give an employee confidence that they are making progress toward their goals.

With Questionmark's online assessment platform, employers can get valuable information about their workforce so they can make better-informed people decisions.

They can use assessments to increase worker engagement and improve staff retention.



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About Questionmark:

We help employers and their people unlock their potential to deliver better performance.

Questionmark provides a secure enterprise-grade assessment platform and professional services to leading organizations around the world, delivered with care and unequalled expertise. Its full-service online assessment tool and professional services help customers to improve their performance and meet their compliance requirements. Questionmark enables organizations to unlock their potential by delivering assessments which are valid, reliable and fair, which can be defended.

Questionmark offers secure powerful integration with learning management systems (LMS), learning record stores (LRS) and proctoring services making it easy to bring everything together in one place. Questionmark's cloud-based assessment management platform offers rapid deployment, scalability for high-volume test delivery, 24/7 support, and the peace-of-mind of secure, audited U.S., Australian and European-based data centers.

Working with Questionmark

To further explore how Questionmark could work for your organization, or to book a free consultation and demo, please see: <https://www.questionmark.com/request-demo/>

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