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Knowledge Transfer & Age Management Practices in the Financial Sector. Views & Perceptions of European Experts

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Together with demographic changes, technology has been one of the main drivers of innovation in the EU financial sector. Banks are changing the way they establish and maintain relationships with their customers over time. Branches are giving way to virtual settings through the use of digital platforms. **This aspect has also had a major impact on the jobs and skills required in this sector.** While stressing the need for workforce renewal in terms of skills, training and adaptability, the financial sector and the social partners have considered age-management in terms of both knowledge transfer and improvements in the broader field of intergenerational solidarity between workers.
Starting from these considerations and according to the results expected from the project "**The European social dialogue and the development of the solidarity between generations of workers: a focus on "over 55" and young workers in the finance sector**"[1], ADAPT and other scientific partners[2] have worked to provide a wide-ranging qualitative analysis. Through this investigation, social dialogue in the banking sector should be promoted to respond to the challenges posed by digital and demographic evolutions, also thanks to new, age management strategies and intergenerational solidarity among workers.

Without claiming to be exhaustive in relation to the tools, the methodologies and the outputs finalized during the project[3], it could be stated that research has adopted a multi-method approach. The analysis of the digitalization trends across countries has combined the review of the existing literature (for internal use) with desk research on the organizational arrangements and strategies used by the social partners to deal with age management issues in the banking sector. Moreover, and with a view of providing a broader picture, the results from desk research have been supplemented with a qualitative survey – handed out in the form of semi-structured interviews – investigating the views and perceptions of banking sector employees on age management, classified by age. The qualitative survey aimed at identifying pros and cons of the initiatives developed in this area. To this end, some key respondents have been selected among the consolidated international network of FIRST-CISL, according to their expertise in the field covered by the investigation[4].
The Delphi method has been employed by project partners, seeing that it is considered the most suitable methodological tool to predict future scenarios regarding the skills disruption induced by the digitisation in the financial industry and the tools needed to deal with change through age diversity management strategies and the intergenerational solidarity approach. This method

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[1] The project co-funded by the European Commission, Directorate General of Employment, Social Affairs & Inclusion VS/2018/0040.
[2] Uveg-Polibienestar and University of Łodz.
[3] For a full discussion of this issue, see Intergenerational Divide and Employee Solidarity. Inclusive Bargaining as a Drive for Change in the Digital Era, the e-book published both in Italiand and English as part of the Project.
[4] Trade union representatives having different roles and from different countries.

can be defined as a relatively, high structured expert group communication process on a topic about which little knowledge exists. Specifically, Delphi is a widely used technique when structuring group thinking and communication to reflect on complex issues (i.e. in our case: age management and solidarity between generations of workers). It is particularly used by experts in a series of iterative learning rounds. Delphi first establishes the group's initial view, presents instant feedback on differing opinions, and seeks a shared position in the final round. Contributors to the group analysis do not have to meet in person and can see the results as they and their colleagues add their views in real time. Typically, contributors respond by adding their rankings and comments. Subsequently, organisers modify the anonymous comments received to formulate better questions. The process is run again, through a series of rounds, until consensus is arrived at. The design process of the "two-round" Delphi survey can be summarised in three main phases as follows:

1. Drafting a literature and a limited statistics review on skills digitalization and the impact on older workers and employees. Intergenerational issues concerning solidarity and skills transmission on workplaces should be used in order to identify and collect relevant insights to draft survey questions **(formulation of the statements).**
2. Drawing up the first set of questions to gain **preliminary information from the experience and knowledge of respondents.**
3. Producing the second set of questions based on the results of the previous round providing respondents with **feedback**. Subsequently, experts were asked to fill out the second round according to anonymous feedback provided by their colleagues (this is what differentiates Delphi from ordinary opinion surveys). To sum up, after completing the 1st round of Delphi, **standard feedback** about the quantitative group judgement has been given and where possible, the arguments and counter arguments of the extreme answers have been given.

Before providing a qualitative analysis of the main evidence and data collected through the two-round survey, it is worth mentioning that the Delphi survey is a qualitative tool and is not meant to be representative, so samples typically include a limited number of respondents (in our case, the sample target consisted of 10 respondents and we collected feedback from 8 of them). Such a limited number is balanced by the quality of respondents, whose knowledge and opinions are important, either because of their professional status – i.e. they represent important organisations – or because of their recognised expertise, as for the information provided by the project Coordinator.

In the first round of the Delphi survey[5], submitted through the Google Forms Platform, the experts agree that technology is the main driver of change in EU financial sector workplaces. Yet there are divergent views about the consequences of this state of affairs (in terms of lower employment rates among older workers and skills loss).
The panel agrees that **the financial sector has been affected by digital skills imbalances** (e.g. the difficulty in filling vacancies with professionals having the new digital skills required) and on the impact of digitalisation on the qualifications required by financial sectors workers. **According to most panel members, the main consequence of the introduction of digital technologies will be the loss of traditional jobs**. They also underline that **the main tools to respond to workers' lack of hard and soft skills and to deal with the changes in their task are training programmes and the selection of new professionals.**

[5] The first - round survey was structured around the following 3 main sections:
Section 1 – preliminary considerations | Section 2 – digitalisation & skills disruption | Section 3 – final remasks and best practices.
The second round included:
Section 1 – preliminary considerations feedback | Section 2 – digitalisation & skills disruption | Section 3 – focus on soft skills | Section 4 – age management and intergenerational solidarity | Section 5 – social partners & best practices.

With the second round of the Delphi survey, these findings were further investigated. Most panel members are of the opinion that there is a correlation between the technological factor and the organisational model (the two main drivers of change for the sector outlined in the first survey). Technological transformations have an important impact on work organisation. In particular, the way things are done is changing **there is a need for new forms of organisation to replace workers, new tasks related to the application and use of technology, work redistribution of work and changes in the scope of work**. Because of technological change, the sector is adopting a new organisational model in which many operations will be done by costumers rather than by staff. In this new organisational model, digital skills of workers are increasingly relevant. Among them those regarded by the panel of experts as the most sought after in the financial sector are "*data analytics*" skills followed by "*digital marketing and social media*" ones. **According to experts, the jobs facing the highest risk of substitution are those concerning back office and accounting tasks. Conversely, the ones which are less likely of being automated are performed by bankers and commercial managers**. Finally, the future of occupations like mortgage and financial advisors produced divergent views. Most experts think that modern workplaces require workers to perform different tasks, so improving employee adaptability is also necessary. **Besides digital skills and the changes affecting jobs and the workplace, soft skills are also regarded as bearing much relevance. Among them are: data reliability and confidentiality, the willingness to learn, flexibility, problem solving, team working, communication skills and compliance with the code of ethics**.

The panel of experts argued that the lack of soft skills among some employees – if aspects like age, sex, position are considered – is related to how companies integrate new workers into the team. Some 50% of the experts are of the opinion that newly-hired workers have no guidance, although they usually join groups of workers from all ages. Consequently, while there is room for intergenerational workplace integration, the lack of relevant practices affects the promotion of this aspect. As for the drivers of change – e.g. technological factor, organizational models, and products and services – in the EU financial sector and the importance of training pointed out by the experts in the first round, we asked them to rate the effectiveness of some training schemes in supporting adaptation processes. **According to the experts, there is considerable evidence that group learning – where many organisational units are involved – is a good way of sharing professional interests and expertis**e. E-learning too was regarded as being a useful tool for training, as was turnover, in order to expand workers' skills, reducing repetitiveness. Divergent views have emerged as regards the effectiveness of other training approaches, e.g. supervision by older employees or job shadowing. This disagreement might be down to a move from a top-down managerial approach to a horizontal one – e.g. between peers – when engaging in knowledge transfer. **Most respondents agreed that limitations exist when adopting measures and policy instruments dealing with age management and intergenerational solidarity at work, due to management's disregard for age management and intergenerational solidarity, and the little involvement of the organisation in these projects, also because of the perceived high costs**.

Some possible solutions have been put forward to overcome these barriers: sharing age management best practices; training HR functions; promoting more cooperation and intergenerational information; making intergenerational policy beneficial for all parties (55+ and younger workers and management); providing digital learning options; developing collective bargaining and better social dialogue on this issue. **Experts have little knowledge about the best practices adopted by the social partners to overcome the shortcomings referred to before**. Yet they believe that the following can be useful to deal with the problems highlighted: information sharing, training provided during working time, money set aside to programmes aimed at skills developing, specific policies to be laid down in collective agreements, internships to experiment with

new tasks and roles, support to employees in finding new employment, reduced working hours for workers older than 55 years old and more hours assigned to younger staff, supervisory roles given to workers aged 55 and older, lifelong learning programmes.

For many years now, the financial sector has undergone change and there is evidence that this transformation is far from being over. Rather than resisting this process, steps should be taken to accompany it, although there seems to be a lack of awareness on the part of the social partners about the actions needed to do so. New measures are necessary to deal with changes affecting work, skills, organisational models and learning. As pointed out by the experts interviewed, digital skills are needed to meet the demand for new jobs. Experts also think that group learning is the best option, as workers with the same professional interests can share knowledge and expertise, though at different levels. **One aspect they emphasised is the lack of initiatives promoting "*solidarity between generation*", especially because of employee reluctance and the little involvement of company management. In this sense, collective bargaining and social dialogue could help to share good practices and promote new forms of cooperation, together with institutions, so that all the parties concerned can benefit from it.**

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