



2018 HireRight EMEA Financial Services Employment Screening Benchmark Report





Welcome to the 2018 HireRight EMEA Financial Services Employment Screening Benchmark Report

This year will see a number of major changes for Financial Services. Technology is transforming the nature of the sector – from blockchain and big data to fintech collaboration. Ever-changing international politics are raising questions about where, when and how to do business. And the significance of new legislation, including fundamental adjustments being made in anticipation of the General Data Protection Regulation (GDPR), cannot be underestimated.

On 25th May 2018 the GDPR will come into effect. This new legislation will affect almost every single business within Europe, as well as those outside of Europe who have customers within the EU. New controls over customer data including how it is gathered, stored and can be used will give more rights to customers, but in doing so could cause serious problems for businesses who are not GDPR-ready, including substantial fines for non-compliance.

The 2018 HireRight EMEA Financial Services Employment Screening Benchmark Report reveals that it is these regulatory changes that are the top concerns for HR and risk teams. But even in this volatile climate, 2018 looks set to be a positive year. Two thirds (63%) are expecting to grow their workforce and a quarter (24%) are aiming for impressive growth of 6% or above.

Thank you to the Financial Services HR and risk decision-makers who contributed their thoughts to this report for this pivotal year. I hope that you find it useful as you look to what the future holds for your firm, and in benchmarking your organisation against others in the industry.



Steve Girdler Managing Director EMEA, HireRight

Read on to find out



The top HR concerns in the FS sector for 2018



Has Brexit uncertainty hit hiring confidence?



Is Financial Services GDPR-ready?



Has the Senior Managers Regime been integrated into operations?

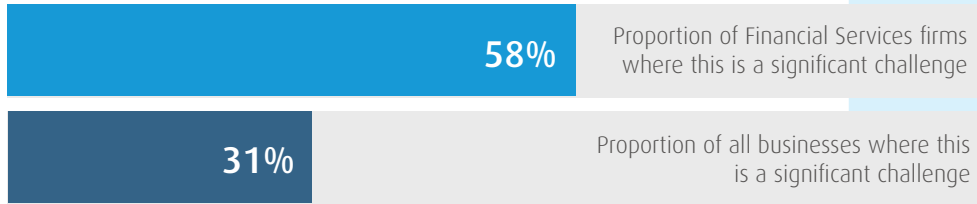
Top Financial Services Challenges



The biggest concern in Financial Services in 2018 is regulatory changes. The majority (58%) of HR and risk professionals rate this as one of their most significant business challenges.

Risk management is also a top concern, with a third (37%) worrying about it. Information security also makes it into the top five greatest FS business challenges of 2018.

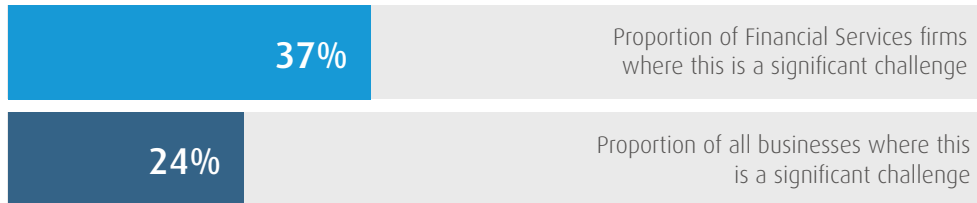
Regulatory Changes



% DIFFERENCE

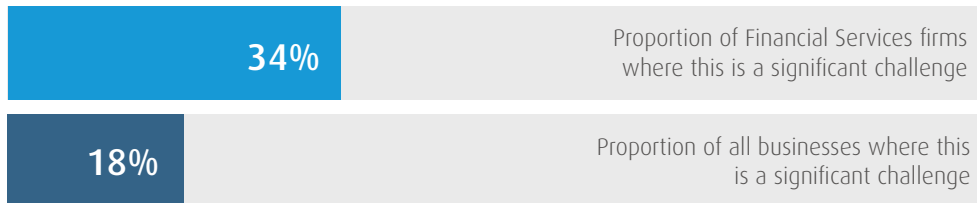
47%

Risk Management



35%

Information Security



47%



For each of these three issues, Financial Services professionals are significantly more concerned than people in other sectors – demonstrating that the industry continues to be highly risk-focused in its approach, and most impacted by the changing legal landscape.

Top Financial Services Challenges (continued)

Top Financial Services Talent Management Issues

1	Maximising employee engagement	47%
2	Improving the candidate experience from application through onboarding	46%
3	Finding qualified job candidates	40%
4	Making HR processes more efficient	38%
4	Keeping good employees/employee turnover	38%

Top Financial Services 2018 Investments

1	Making HR processes more efficient	49%
2	Creating a positive corporate culture	48%
3	Improving the candidate experience from application through onboarding	47%
3	Maximising employee engagement	47%
4	Developing leaders	44%



Finding, retaining and developing talent is the second biggest business concern for FS businesses – only falling behind regulation.

Delving deeper into this area, employee engagement is a particular challenge and is the top talent management issue in the sector. Almost half (47%) of the professionals we spoke to in HR and risk, rated this as a significant concern.

Action is being taken, with nearly half (48%) of FS businesses investing in creating a positive corporate culture, and a similar proportion (47%) in maximising employee engagement in 2018.

The second biggest talent challenge being faced by FS firms in 2018 is improving the onboarding process – a key stage in the employee journey. As a result, this is another top area for investment in 2018.

The perennial issue of finding qualified job candidates is the third biggest talent challenge, impacting two in five (40%) FS firms.

Despite only a third (38%) of Financial Services professionals being concerned about making HR processes more efficient, this is the top area for investment in 2018: around half (49%) of FS businesses are investing in it.



Now the dust has settled on Britain's decision to leave the EU, Financial Services professionals are seeing little difference in how they operate in Britain.

Brexit Britain

Of the FS HR and risk professionals we spoke to...



5%

are discussing stopping recruitment in the UK because of Brexit



34%

believe the UK is a less attractive place to do business than it was before the referendum



33%

think regulatory uncertainty is making it harder to recruit and screen UK nationals



38 %

are worried it will be more complex to screen once the UK leaves the EU



GDPR in Financial Services

The implications of the General Data Protection Regulation (or the GDPR) are huge – impacting every Financial Services firm, whether they are EU-based or hire people based in the European Union.

But, the sector believes it is ready.



75%

of FS HR and risk professionals say they know exactly how to comply with the GDPR



67%

believe their firm is fully prepared for its May implementation



For more on the
GDPR and screening,
please refer to our
*12-part GDPR blog
series.*



Senior Screening Struggles

Senior Managers Regime



More than a year in and just 15% of FS HR and risk professionals are completely confident that people joining their organisation understand the implications of the Senior Managers Regime.



Most (78%) are not sure if their organisation has successfully built the Senior Managers Regime into its culture. With the regulator now investigating compliance, this is a concern that needs to be addressed.

Consistent and Compliant?



Senior screening is a necessity even beyond meeting regulation. Nearly a third (31%) of FS businesses have uncovered issues during screenings of senior people. The damage that undetected issues at this level could cause is untold.

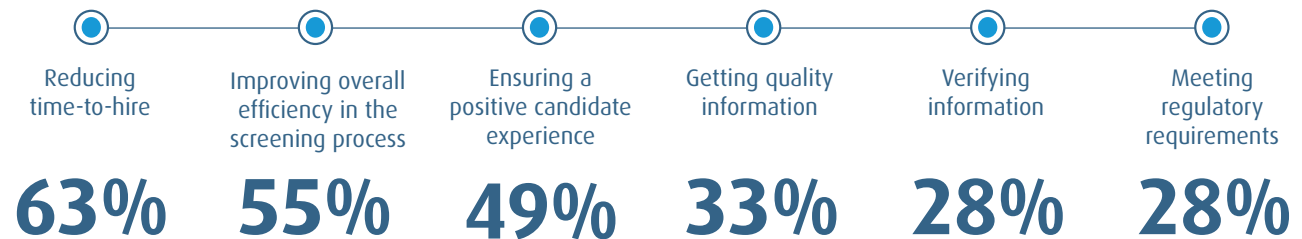
Screening in 2018: Candidates at the Core

These figures show that screening is not a nice-to-have, but an essential last port of call in the recruitment process.

While screening is a regulatory necessity in many cases, Financial Services firms see its intrinsic value regularly, with 85% of FS HR and risk professionals experiencing candidates misrepresenting information on their resumes or job applications.

Screening has uncovered issues that would not otherwise have been found in three quarters (75%) of Financial Services organisations that carry out candidate due diligence.

Top Screening Challenges

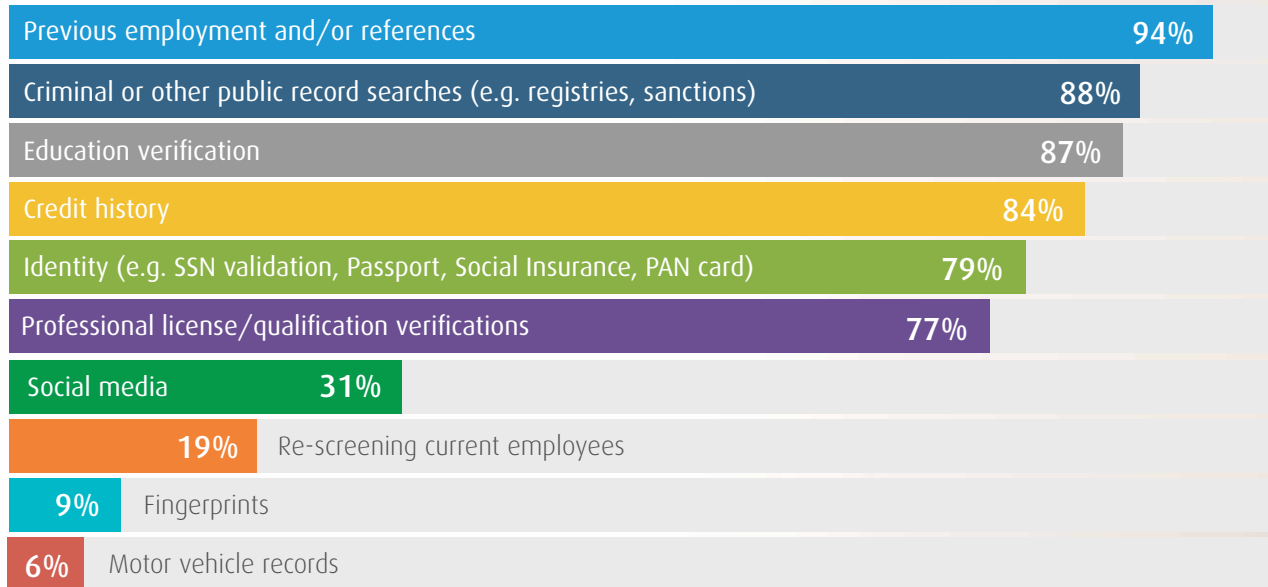


Getting the right people into roles faster is the top screening challenge for Financial Services firms in 2018. Reducing time-to-hire and improving the overall efficiency of the screening process are the top two screening issues this year.

Ensuring a positive candidate experience is also vital, with half (49%) of Financial Services professionals seeing this as a significant screening issue.

What is Being Screened?

Top Screening Performed Pre-Hire



International Intentions

A third (36%) of Financial Services firms don't have an international policy in place, despite most firms now recruiting talent from across the world. For those that do screen globally, the top issues are:



Difficulty understanding laws by country



Cost is too high



Difficulty sourcing information

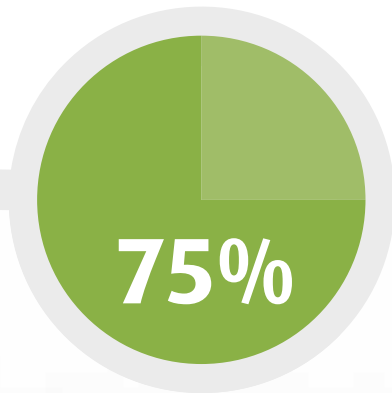


Issues maintaining quality of the candidate experience



Lack of cultural acceptance

2018 Financial Services Screening Snapshot



Screening has uncovered issues in three quarters of Financial Services organisations



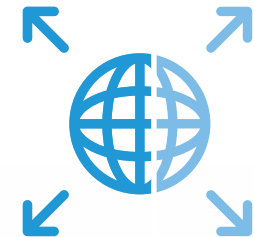
85%

of Financial Services HR and risk experts have seen candidates misrepresent information on applications



31%

of Financial Services businesses have uncovered issues during senior-level screens



63%

of Financial Services companies are growing their workforce in 2018



In the News



Just 5% of the Financial Services people we spoke to might stop UK recruitment due to Brexit



Only 15% of HR and risk professionals are completely confident people joining their organisation understand the Senior Managers Regime

Top of the Charts



Regulatory changes are the number one business issue in Financial Services



Maximising employee engagement is the number one talent issue



Reducing time-to-hire is the number one screening issue



Making HR processes more efficient is the top area for investment




We're Here to Help

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About HireRight

HireRight is a leading global provider of background screening services helping organisations mitigate employee risk, make informed hiring decisions and meet compliance obligations.

HireRight works in more than 200 countries and territories, and has offices across the globe, including the UK, USA, and Hong Kong. Almost half of the Fortune 100 and over a quarter of the FTSE 100 use HireRight's services.

The 2018 EMEA Employment Screening Benchmark report explores trends and attitudes from EMEA HR and risk decision makers and was completed by 452 participants across the EMEA region. This report represents the findings from the respondents of the survey working within the Financial Services.

www.hireright.com/emea

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