

A Side-by-Side Look at Talent and Rewards in Financial Services and Technology

Financial services firms are challenged to imagine and operationalize the talent and rewards strategies required to transform their workforces for the digital age. No matter what technology initiatives firms are focused on, adapting longstanding practices to attract and retain technology talent is key. McLagan and Radford have teamed up to help financial services firms navigate this changing landscape.

In our Talent & Rewards Side-by-Side Study, we investigate current human capital practices across the financial services and technology industries in the U.S. and UK, spanning the topics of location analysis, jobs, talent, compensation, and benefits. This 75-page report is a deep-dive into practices observed in both industries, with commentary on key areas of alignment and misalignment—a must read for any firm that is re-evaluating their employee value proposition and total reward strategy to align with the digitalized future.

What are the key findings?

There appears to be significant difference in about 20% of the features we examined, some difference in about 30%, and the rest of the features and practices seem mostly aligned. The majority of differences appear within the location analysis, jobs, compensation, and benefit sections. The talent section seems to be the most aligned.

Illustrated on the next page is a high-level overview of the alignment observed in the features studied across technology and financial services firms.

Topic	Mostly Aligned	Somewhat Aligned	Not Aligned
Location Analysis		<ul style="list-style-type: none"> UK Locations 	<ul style="list-style-type: none"> U.S. Locations
Jobs	<ul style="list-style-type: none"> Talent Profile Engagement Scores 	<ul style="list-style-type: none"> Titles Campus Recruiting (Recruitment Practices) Attrition 	<ul style="list-style-type: none"> Campus Recruiting (Internships)
Talent	<ul style="list-style-type: none"> Use of Assessments on New Hires Key Drivers of Engagement Frequency of Succession Planning Employee Engagement Measurement Top Areas Targeted in Leadership Programs Stage of Human Capital Analytics Challenging Areas of Performance Management Program 	<ul style="list-style-type: none"> Types of Assessments Used Use of Succession Planning Performance Management Practices 	<ul style="list-style-type: none"> Categories to Advance Human Capital Analytics
Compensation	<ul style="list-style-type: none"> Hot Jobs Cold Jobs Pay Mix Salary Budgets Types of Vesting (Equity) Equity Vesting Period ESPP Offering Leaver Provisions Equity Grant Frequency 	<ul style="list-style-type: none"> Bonus Vehicle Prevalence by Level Bonus Plan Funding Metrics Bonus Plan Participation Bonus Pay-Out Frequency Equity Vehicles Sign-On Bonus Bonus Plan Pay-Out Measures / Weightings 	<ul style="list-style-type: none"> Bonus Targets Retention Bonus Equity Eligibility Malus / Clawback Features
Benefits	<ul style="list-style-type: none"> Health and Welfare Plans Retirement Plan Offerings Relocation Practices Summer Hours Meals Provided Personal Concierge Service Childcare PTO for Community Service Company Social Events Sabbatical Student Loan Assistance On-Site Coffee Bar / Lounge Online Discounted Market Community Charity Day Personal Donation Matching Off-Site Gym Membership 	<ul style="list-style-type: none"> Parental Leave Paid Time Off Company Provided Shuttle On-Site Medical Clinic Fertility Assistance Dry Cleaning Services On-site Spa Service Snacks / Drinks On-Site Yoga / Fitness Class On-Site Fitness Facility 	<ul style="list-style-type: none"> Flexible Work Schedule Bring Pet to Work Adoption Assistance Company Happy Hour On-Site Gaming and Recreation Area Flexible Dress Code

What should you be doing?

It's important to pause and evaluate your firm's employee value proposition to determine a plan for attracting leading IT and technology talent. How will this shift in demand ultimately affect existing positions in the company? Understanding technology talent pay packages is one thing, but being able to provide thrilling projects, an appealing work environment, and the rapid career advancement of tech companies is another.

Here are four key focus areas to help you keep your talent and rewards strategies fresh, attractive, and competitive:

1. **Employee value proposition:** Refresh your EVP to shape the employment brand and employee experience needed to differentiate your company.
2. **Total rewards strategy:** Establish a strong total rewards plan to ensure your reward strategy is sustainable and provides you with a leg up on the competition in all your competitive markets.
3. **Innovation and product development incentives:** Improve pay for performance for technology talent.
4. **Compensation data:** Use third party compensation data for both technology and financial services industries to gain rewards insights and determine where you stand in the market for tech talent.

Want to learn more? In our recently published Talent & Rewards Side-by-Side Study, available for \$3500, we go into greater detail of the market practices across the technology and financial services industries. To view the report introduction, please [click here](#). We can also deliver a custom report, depending on your firm's needs. [Contact our team](#) for additional information and to purchase the report today.

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About McLagan

McLagan provides tailored talent, rewards, and performance expertise to financial services firms across the globe. Since 1966, we have partnered with the largest and smallest financial services firms to help them make data-driven decisions to hire, retain, and engage the top talent for keeping the global economy running. Our compensation surveys are the most comprehensive, in-depth source of rewards data covering over 150 countries from more than 2,500 clients. Our consultants work with hundreds of firms annually to design total rewards programs and benchmark financial performance for boards of directors, executives, employees, and sales professionals. McLagan is a part of Aon plc (NYSE: AON). For more information, please visit mclagan.aon.com.

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