



# The Energy of Change

Drive Collective Action in a Rapidly Transforming  
Financial Industry

FranklinCovey

A skilled financial industry leader can turn disruption into an opportunity for innovation and growth, helping everyone on their team prepare for, persist through, and gain a new perspective from change—leading to better processes and outcomes.

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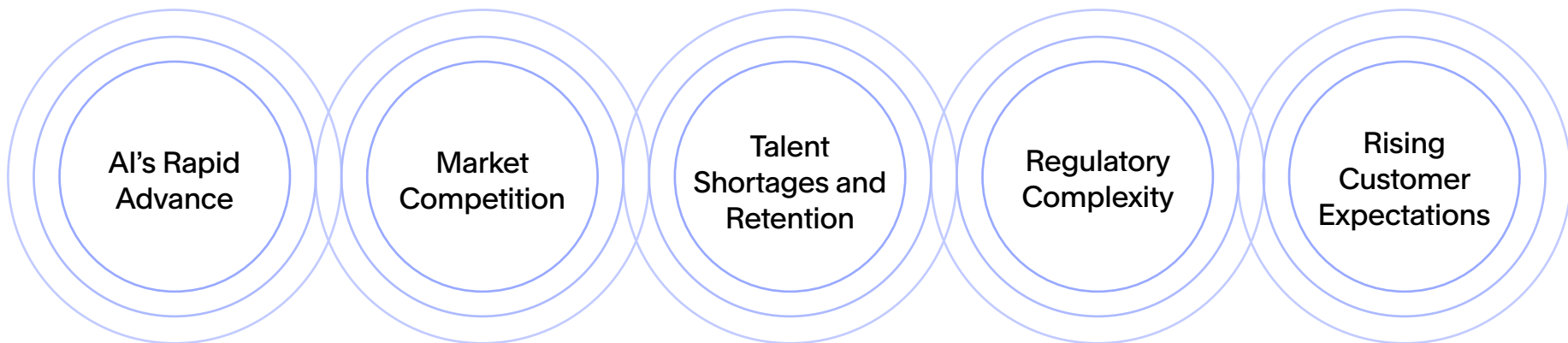
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# Disruption Comes in All Shapes and Sizes

Today's financial services leaders are inundated with rapid disruption from almost every direction. From global policy shifts and economic uncertainty to artificial intelligence and technology-fueled consolidation, every firm and institution is affected. The question is, faced with mixed signals and volatility, will your leaders and teams freeze up—or seize the moment?

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**How are the following widespread changes impacting your organization?**



## AI's rapid advance generates urgency and anxiety

New technologies exert unusually strong pressure on financial services organizations because their operations fundamentally revolve around processing information. Seen in that context, artificial intelligence is an especially potent force—creating nearly infinite opportunities for firms and banks to transform, while exposing them to an equally broad range of new vulnerabilities.

Customer demand is reinforcing this urgency: Most want their financial institutions to offer AI solutions, and nearly all say they'd switch if their provider lags. Yet the industry's progress has been uneven to date. A recent [benchmark analysis](#) of large financial institutions' AI adoption found that roughly 70% have nothing tangible to show for their AI investments.

Facing such pressures, financial firms and banks may be tempted to impose an AI strategy from above, rushing to lock in staff reductions and cost savings. But Command & Control deployments—as worthy as their end goal may be—rarely deliver lasting results. What distinguishes successful AI adopters is the ability to empower and engage the workforce: equipping people to use the technology confidently, involving them in shaping how it works, and reinforcing trust through transparency and shared accountability.

## Market convergence drives new competition and strategies

Waves of convergence have roiled the financial industry for decades, but today's environment is especially fraught. Breakthrough technologies and shifting regulatory policies around the world are creating new openings in all corners of the industry, eroding barriers to entry and accelerating product development cycles.

Incumbents must reassess their positioning and partnerships to remain relevant in a fast-moving ecosystem. Commercial banks—long anchored in payments, deposits, and lending—now face non-bank competitors in all three areas. Ubiquitous digital wallets [are only part of the story](#); non-financial companies [are adding](#) savings, credit, insurance, and investment features to their apps, forging relationships with new-generation customers before traditional institutions can establish a beachhead. Fintechs and neobanks, once the great disruptors, are themselves encountering new headwinds, as regulators increasingly hold them to [the same compliance standards](#) as traditional players and they [struggle to diversify](#). In [wealth management](#), robo-advisers are adding human guidance, while established firms are introducing AI agents.

Financial industry leaders must learn to manage and embrace continuous disruption. Changes in how business is done can be sudden and unpredictable—and now occur continuously. The result is a landscape that requires constant adjustment, with operating assumptions in perpetual flux.



## Talent shortages raise the bar for recruitment and retention

In an industry where finding and keeping critical talent is especially difficult, financial leaders must rethink and reset their hiring practices and assumptions. High regulatory demands, specialized skill requirements, and evolving digital capabilities have intensified competition for qualified professionals. As new technology-driven roles emerge and workforce expectations shift, traditional hiring models often fail to attract or retain the agile, multidisciplinary talent the sector now depends on.

Data tracked by recruiters tells the story: Industrywide, [voluntary](#) turnover reached 16.4% in 2025 and total turnover hit 21.1%, with a significant share attributed to employees who are actively pursuing other opportunities. [Fintech roles](#) that blend financial and technical expertise took twice as long to fill as in 2023—especially in blockchain, AI, and digital compliance—as global demand and candidate expectations expanded. In [wealth management](#), 64% of employers say they expect to struggle to find suitable applicants for open roles in 2025, driven by an aging workforce in which nearly half of existing financial advisers plan to retire within five years. Two-thirds of [financial-institution leaders](#) reported difficulty filling key roles, with annual turnover near 25% and many positions remaining open for months.

With recruitment costs rising, financial firms also need new strategies for training and education—upskilling and reskilling team members to equip them for a changing marketplace. While building out such programs can be a substantial undertaking, organizations that help their teams successfully capitalize on change can reap the benefits of increased retention and improved employee performance.





## Regulatory complexity impacts compliance burden and global ambitions

The regulatory environment in financial services is **shifting rapidly**, and often unevenly, as regions adopt divergent priorities. The net effect is one of increased regulatory risk, rising compliance costs, and constraints on international growth. Among other things, new requirements such as the EU's **Digital Operational Resilience Act**, the UK's forthcoming **Financial Services Growth and Competitiveness Strategy**, and ongoing Basel implementation underscore the need for capital resilience and preparedness for emerging risks like cyber threats. At the same time, oversight of non-bank financial providers, which now account for nearly half of global financial system assets, is tightening. Regulators are focusing on the lack of data transparency in credit markets, for example, while extending bank-style scrutiny not just to fintechs but to large technology companies that also offer financial services.

Financial services providers with multinational or global ambitions have **fewer safe harbors**. Agencies such as the Basel Committee and the Financial Stability Board are pressing for harmonization (on things like capital standards, anti-money laundering, and data protection), but regional differences in enforcement, timing, and scope remain significant. In ESG and sustainability reporting, for instance, European mandatory disclosure rules are advancing even as the global consensus continues to fray. Policies on digital assets, open banking, and payments modernization—ranging from cryptocurrency “know your customer” rules to long-promised T+1 settlements—are progressing along regional, rather than global, lines.

## Rising customer expectations put pressure on loyalty

Customer loyalty in financial services is under sustained pressure as consumer behaviors shift and product expectations rise. Nearly half (46%) of adults in 2025 are open to [switching banks](#) because their needs have changed; 71% welcome offers from other institutions. Customers today expect similar levels of personalization and usability from their financial institutions as they receive offers from massive e-retailers like Amazon or agile mobile-first providers like Venmo or Robinhood. Meanwhile, "[open banking](#)" regulations are making switching easier, with the goal of enabling customers to compare pricing and services.

Even so, the pressure on financial institutions to be *both* high-tech and high-touch is enormous. In its annual review of the banking industry, [McKinsey](#) described the likeliest future scenario as one in which institutions added scale and competency both in execution by AI agents and in providing human advice and support—in equal proportion.

Sustaining customer loyalty in this environment requires a culture that can pursue multiple priorities with equal intensity—pressing forward with innovation and growth strategies while actively playing defense to fight attrition and outperform rivals. This kind of culture will align teams around shared standards and accountability, strengthen execution and goal setting, and empower all contributors to act with agency.



# Better Change Management Builds Better Culture

Finance leaders know that tackling change is part of their job, but how they facilitate change can take teams and organizations beyond business as usual. Building a culture of persistence during times of change allows leaders to turn adversity into growth opportunities so their teams can do the same. Many organizations focus on investing in expensive, codified change management processes, but successful change takes more than that. At the end of the day, it's your people who make change happen.

Here are five behaviors you can use to lead your teams effectively through change to innovation.

1. Have a plan
2. Understand reactions
3. Cultivate persistence
4. Think bigger
5. Dialogue, don't dictate



## 1. Have a plan that's tailored to your people and organizational culture

Working with a net is working in a safe space. As the ultimate safety net, a plan is one way leaders build **trust** with their teams and prove themselves worthy of confidence. Whether it's a large-scale solution or an individual practice, a plan is a signal to teams that your leaders know how to proceed. And the most effective plans are built on the shared language and values of your organizational culture to help people get comfortable with change.

"A plan gives both leaders and teams a path forward in times of change," says Kory Kogon, Vice President of Content Development at FranklinCovey, "because it provides the principles needed to navigate change, such as understanding what the change is and having the proper tools to adapt to it." Putting the right information in the right order at the right time is a plan—and a great leader can make one happen.

## 2. Understand reactions to change both as a human and a leader

While **change** hits every person differently at different times, there are five common reactions we can look at to understand global attitudes toward change:

### MOVE

You're all in on the change and ready to act.

### MINIMIZE

You go along with the change but do what you can to contain disruption.

### WAIT

You take no immediate action, waiting for additional inputs.

### RESIST

You fight actively against change and do what you can to maintain the status quo.

### QUIT

You decide a change ultimately isn't for you.



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**“We can only graduate to leading people through change if we know how to deal with change as humans first.”**

– Kory Kogon  
Vice President of Content Development, FranklinCovey

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Leaders are people, too. As you get in touch with your own personal reactions to change, your compassion toward your team increases. This compassion is the key to helping your team persist through change.

### 3. Cultivate persistence

Resilience is an important skill for humans, teams, and leaders. Whatever changes you face, resilience helps you move from a state of confusion back to the status quo—and we've all needed that skill over the past several years. But more than resilience is needed when you want to move beyond typical practice. That's when **persistence** comes into play.

As a leader, when you encourage your team to persist, the group is able to take advantage of the opportunity to do and be more. Not only does the group recognize the change, Kogon says, but they can “persist through the discomfort of the change and move on into innovation—the opportunity beyond what was asked.”

The magic here is that people aren't just waiting for the next change and slogging along in the meantime. Persistence means teams and leaders are actively looking for ways to move past their usual routines and expectations every single day.

### 4. Think bigger than your usual processes

As a leader, you've learned you need systems to get things done. But even skilled people can only go so far without the right processes in place to drive results. To move your team forward in a time of disruption, you need to do more than follow your checklist. You also need to respond.

Responding to change is ongoing, and it includes the pre-work of creating a compelling vision of change that helps you engage with your team through the tough spots. As you develop, revisit, and recalibrate the awareness that responding requires, you're able to help people through their individual reactions to change and lead your team through disruption skillfully.

### 5. Dialogue, don't dictate

Helping your team overcome obstacles requires encouraging leadership. When presented with change, many people have an initial response of fear or frustration that can send them spiraling into passivity or even resistance.

An employee in a reactive mindset requires special attention. Kogon reminds leaders to “dialogue, not dictate,” which requires you to be both engaging and clear while seeking understanding. Demanding or expecting compliance hinders both the resilience and persistence necessary to turn change into lasting growth.



# Change is Untapped Potential

The challenges financial organizations face today may not be the same ones they'll face in six months, a year, or five years from now. But one thing is certain: Change is constant. Finance leaders who understand their personal and team responses to change are better positioned to see change as an opportunity—and reap its benefits. With the right mindset and toolset in place, leaders can teach their teams to value disruption and persist beyond short-term uncertainty. This approach can lead to a thriving and engaged workforce, enhanced outcomes, and more resilient institutions.

While every change is unique, it follows a predictable pattern. Understanding this pattern and building the skills to navigate it successfully allows leaders and teams to consciously determine how to move forward—even in the most challenging seasons of disruption.

**[Change: How to Turn Uncertainty Into Opportunity™](#)** is a course designed to help organizations build individual confidence through a predictable pattern of change, lead people through the human reactions to change, and optimize change-management processes.

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