

LCLM5002 – Developing and Managing Individuals and Teams

Component 2 Individual Report

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1. Introduction

Barclays PLC is a multinational banking and financial services organisation in the United Kingdom, which employs around 83,500 employees worldwide, with its headquarters in London (Barclays, 2024). Barclays Human Resources (HR) activity is a complicated, controlled organ, which functions in the dynamic economic environment and, as a result, has significant challenges of the present time. In this report, which is written as an HR practitioner, three important HR dilemmas in Barclays, including addressing technological progress, talent recruitment and retention, and diversity, equity and inclusion (DEI), are discussed. It also reviews the modern HR practices embraced to deal with these and evaluates critically how the departmental managers can make sure that these are implemented well. The report ends with recommendations as to how to improve on a sustained basis.

2. Key HR Factor Explanation.

2.1 Meeting Technological Advancement

One of the most critical challenges to HR departments in the modern world is the fast pace of digital transformation in the financial services sector. The implementation of artificial intelligence (AI), automation, robotic process automation (RPA) and cloud-based solutions in Barclays has fundamentally changed the needs of the workforce (Colbert, Yee and George, 2016). The HR issue is two-fold: how to guarantee that the current staff has the digital skills necessary to work with new systems and how to hire specialists who have particular skills in specific technological fields, like machine learning, data analytics, and cybersecurity.

The technological disruption alters the conventional job descriptions and necessitates ongoing upskilling. According to the World Economic Forum (2023), it is estimated that about 44 per cent of the essential skills of workers will be shaken in five years, and reskilling is not the choice but a strategy of necessity. In the case of Barclays, in particular, the implementation of AI-based customer services and automated risk evaluation solutions has led to an immediate necessity to redefine role descriptions and competency models (Vial, 2019). HR has to steer this change, providing continuity of the workforce and reducing the risks of redundancy, as well as retaining the morale and engagement of the workers. This puts significant pressure on

the learning and development (L&D) functions, workforce planning and change management facility in the HR department (Becker and Huselid, 2006).

2.2 Talent Acquisition and Retention.

In the UK, the financial services industry experiences intense competition in terms of skilled talent, especially in the areas of digital, compliance, and relationship management. Barclays has been working in a labour market that is marked by endemic skills gaps, with CIPD (2024) stating that more than two-thirds of financial services employers in the UK have reported major hiring challenges. The HR role of Barclays is not only to recruit talented applicants but also to maintain them within an organisation where other competitive firms, such as technology companies, are willing to give them good remuneration packages and allow them to work at their convenience.

In the post-pandemic era, employee retention is getting more complex. Empirical studies by Saks, Gruman and Zhang (2022) underscore the fact that employees attach greater importance to psychological safety, purposeful work, and flexible work arrangements. The high voluntary turnover is expensive; the CIPD (2023) indicates that recruitment costs in the UK financial sector are on average about 6,000 pounds per recruitment (not factoring in lost productivity). In the case of Barclays, the reduction of employees who are performing well may pose a direct risk to the client and knowledge within the organisation. HR should thus come up with holistic retention plans that do not just look at financial incentives but also career growth, wellbeing, and belonging (Armstrong and Taylor, 2023).

2.3 Diversity, Equity and Inclusion (DEI)

DEI has become a key strategic HR management element in the UK. Barclays has publicly assigned some ambitious DEI targets, such as rising Black, Asian and Minority Ethnic (BAME) representation in senior leadership roles and attaining gender pay equity (Barclays, 2024). Nevertheless, even now, structural inequalities are still present in the financial services sector. The Hampton-Alexander Review (2021) discovered that women are still grossly under-represented in board and executive committee positions in FTSE 100 companies, including banking institutions.

The case of the business of DEI is solid. The study by McKinsey (2023) revealed that an organisation that is in the highest quartile in terms of ethnic diversity has a higher chance of

performing 39 per cent better than those in the lowest quartile. In the case of Barclays, integrating DEI into all levels of the employee lifecycle, which include the recruitment process and succession planning, is not only morally right but also business-wise. However, sometimes the implementation of DEI initiatives is associated with the presence of gaps due to unconscious bias, the lack of accountability in leadership, and the absence of data monitoring (Shore, Cleveland and Sanchez, 2018). HR should then transcend policy statements to build measurable, evidence-based DEI programmes that are able to drive actual structural change.

3. Current HR Practices Review.

3.1 Dealing with Technological Advancement: Digital Learning and Workforce Planning.

Barclays has embraced various modern HR practices, such as lifelong learning, agile workforce planning, and internal mobility, in order to respond to technological disruption. The organisation has made large investments in its online learning platform, the 'Barclays Learning Academy', which offers employees on-demand access to data literacy, AI basics and digital leadership modules (Barclays, 2024).

Another practice that is critical is strategic workforce planning (SWP). Workforce analytics and scenario modelling allow HR to anticipate future skills needs, thus proactively identifying skills gaps and formulating specific development interventions in the future instead of responding to the recruitment impulse (Cappelli and Tavis, 2018). The introduction of predictive people analytics solutions to Barclays would allow the HR business partners to collaborate with line managers to predict the workforce requirements within three years. This strategy is in line with the HR business partner model developed by Ulrich (1997), which places HR as a strategic contributor as opposed to more of an administrative function.

Another practice is encouraging internal talent markets, allowing employees to seek project-based assignments or even lateral moves to develop new skills. It does not only increase reskilling faster but also enhances employee engagement through providing visible career development opportunities. But critics such as Marchington et al. (2016) warn that digital upskilling campaigns have the risk of reinforcing inequalities when the access is not evenly spread among all groups of employees, which is a threat that Barclays will have to strategically handle.

3.2 Discussing the talent acquisition and retention: EVP and total rewards.

Modern HR practice on talent acquisition has moved towards employer-brand-focused practice. Barclays has formulated an effective Employee Value Proposition (EVP) which focuses on purpose, progression, and flexibility. Studies by Backhaus and Tikoo (2004) affirm that a good employer brand can lead to a considerable decrease in cost-per-hire and enhanced retention rates. Barclays utilises employer review sites and focused social media campaigns, as well as graduate alliances with major universities in the UK, to tap into a wide range of talent pipelines.

On the retention front, the total rewards strategies, including base pay, variable pay, non-financial benefits, wellbeing programmes and flexible working, are increasingly becoming significant. According to the CIPD (2024) Total Reward Survey, those organisations that integrate financial and non-financial rewards have significantly reduced voluntary turnover. Barclays has also introduced hybrid working models to non-client-facing jobs, which Guest (2017) has associated with work-life balance and job satisfaction. Also, career advancement visibility afforded by structured mentoring and sponsorship programmes of high-potential employees is an important retention driver, especially among younger generations (Kooij et al., 2013).

However, reward strategies should be periodically compared to the market rates. With the growing publicity of wage information via sites like Glassdoor, any discrepancy between internal compensation systems and market remunerations can quickly become apparent to workers, increasing the chances of turning to exit (Armstrong and Taylor, 2023). The HR role of Barclays should therefore ensure that there is dynamic benchmarking of rewards and regular reviews of pay equity performed with adequate frequency to ensure that it is competitive.

3.3 Response to DEI: Inclusion Recruitment and Representation Measures.

To address the challenges of DEI, Barclays has implemented structured and contextualised recruitment practices that will reduce the impact of unconscious bias. These involve anonymised shortlisting, varied interviewing committees, and utilisation of contextualised admissions information to gauge with regard to socioeconomic status and academic credentials. These standards are in line with the advice of the Equality and Human Rights

Commission (EHRC, 2022), which supports formal procedures rather than informal evaluation when it comes to making selection choices.

DEI Networks and Employee Resource Groups (ERGs) are significant for creating a sense of belonging and offering marginalised groups a platform to impact the organisational policy (Jonsen, Maznevski and Schneider, 2011). The Race Action Plan and the Women in Leadership Programme of Barclays are both organised intervention programmes in accordance with these principles. Moreover, the organisation also releases yearly DEI progress reports and ethnicity pay gap statistics, which demonstrate accountability and transparency to its stakeholders (Shore, Cleveland and Sanchez, 2018).

Nevertheless, Shore, Cleveland and Sanchez (2018) warn that DEI efforts can be reduced to mere performance without entrenching them in day-to-day management behaviours and supporting them by top management. The idea of tokenistic representation instead of actual inclusion may further worsen a sense of marginalisation in the minority groups, which negates the objectives of such programmes. Successful DEI HR practice thus necessitates pervasive implementation – inclusion in performance management systems, succession planning, and leadership development programmes.

4. Critical Analysis: How can departmental managers play a role in implementation?

Although HR designs and supports the modern practices, the actual implementation will be in the hands of departmental managers. According to Purcell and Hutchinson (2007), a significant implementation gap exists, and so despite the well-designed HR policies, there is no desired outcome due to lack of capability, will or discretion of the line managers to implement these policies on a regular basis. In the case of Barclays, this is a great threat to all three areas of challenges.

Regarding the technological progress, managers should be keen sponsors of digital upskilling in their teams through the provision of secure learning time, demonstrating a growth mindset, and connecting skills growth with performance targets. The study of psychological safety by Edmondson (2018) shows that workers are much more likely to participate in learning and experimentation when they believe that their manager will be supportive and will not punish failure. Devoid of such managerial behaviour, digital learning programmes can be poorly engaged, and the skill gaps will remain unaddressed despite platform investment.

In terms of talent retention, managers are always found to be the major force of employee experience and desire to remain (Gallup, 2023). Studies have shown that it is managers, but not organisations, that staff turn over, and 70 per cent of the differences in team engagement can be put down to the quality of line management. Barclays should thus invest in the development of management capability – areas of coaching, recognition and authentic career conversations. The CIPD (2023) proposes frequent one-to-one check-ins, personalised development planning, and inclusive team meetings as the main managerial behaviours that directly lower voluntary turnover.

When it comes to the implementation of DEI, Noon (2018) believes that organisational policies cannot work without managerial support. Departmental managers should be proactive in combating non-inclusive behaviours, sponsoring members of under-represented groups, and providing equal access to development opportunities. Barclays has incorporated the DEI goals in the performance appraisal of managers, establishing a direct responsibility correlation between the managerial behaviour and inclusion performance. This strategy is consistent with the change leadership model by Kotter (1996) that focuses on the need to root change on the organisational culture and reward system in order to make it sustainable.

A critical analysis, however, should appreciate the capacity constraints of managers. Without proper structural support such as decreased administrative overhead, access to HR business partners and adequate managerial training, even well-intended managers find it difficult to effectively apply modern HR practices. Barclays should hence make sure that the conditions of managerial effectiveness are not just assumed, but actively created.

5. Conclusion and Recommendations

This report has explored three key HR issues impacting Barclays PLC: technological progress, talent acquisition and retention, and DEI. It has appraised modern HR practices embraced to cope with these problems and the importance of critically examining how departmental managers can be used to ensure successful implementation. The review shows that although Barclays has gone a great mile in building complex HR structures, the achievement of desired results will depend on competent, responsible and enabled line management.

A number of recommendations are suggested. To begin with, it is essential to instigate a formal digital skills audit after every 18 months to make sure that L&D investment is based

on actual capability gaps and not perceived needs. Second, the EVP needs to be constantly checked with the help of employee listening information, such as pulse surveys and exit interviews, to make sure that they are relevant to the different generational cohorts. Third, senior leadership balanced scorecards should incorporate DEI metrics to take accountability to a higher level than HR. Fourth, capability programmes for online managers must be compulsory and assessed through 360-degree feedback to measure a change in behaviour and not just attendance. Lastly, the HR business partners are to act in real consultative terms with managers, offering real-time support with implementation as opposed to working in a retrospective manner.

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