

Reprogramming Fintech Talent in Turkey

Fast-paced changes in the financial services industry in Turkey call for a renewed talent management strategy

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The financial services industry is rapidly transforming at a massive scale, in large part due to technology—cloud computing, big data, robotics and AI, rethinking the concept of money, virtual and open banking, and fintech. At the same time, the industry is grappling with regulations that have significantly slowed down disruption in Turkey. Yet, new fintech players keep surging steadily. To overcome major challenges and remain competitive, companies will need to adapt their talent strategy as the environment and conditions around them change.

Regulation Sparks Caution—But Also Disruption

Turkey has historically been at the forefront of financial services technology—mainly due to regulation requiring financial institutions to invest heavily and build robust systems and processes in the first decade of the 2000s. Lately, however, that has not been the case. The regulator has slowed down the evolution of the industry and Turkey hasn't evolved as fast as Western Europe, especially in open banking. Despite the added regulation, entry barriers still remain relatively low, spurring a new wave of innovative, small, and dynamic players. This trend is forcing large banks to reinvent themselves from traditional institutions to innovation accelerators. As a result, many are spinning off some of their functions as standalone fintech companies.

Still, regulators remain the most predominant shapers of the financial services industry in Turkey. Main players include the Banking Regulation and Supervision Agency (BDDK) and the Central Bank, which oversees e-money and payment institutions. Digital assets, such as cryptocurrencies are not yet regulated, but capital markets could be governing this domain in the future. Competition Authority also plays a role to protect consumers in the value chain. But prevalence of regulatory bodies doesn't necessarily have to hinder innovation as central banks have shown globally: They can serve as a voice of all regulatory institutions, balancing risk management and innovation. That could be the case in Turkey if there is coordination—and companies will growingly need the talent to navigate this regulatory reality.

B2C Companies Are Driving a New Wave of Fintech

Today, there are two main drivers for B2C companies to develop their own payment services: consumers seeking more tailored payment options and the ease of obtaining a license to operate in financial services. With companies leveraging this opportunity to meet consumers' needs and expand their business, we are noticing fintech activities in three main areas: payment (e-money, wallets), credit, and digital POS services, and the trend is spreading to several industries.

Telecommunication companies have long operated in the space, and we are seeing them succeed in emerging markets, as Vodafone's M-Pesa and Safaricom, in Africa, exemplify. In Turkey, for instance, all telecom operators have been active either as mobile wallet players or providing consumers with credit options for device sales (Turkcell's Paycell and Vodafone Pay are wallet examples, Colendi is serving Turkcell's consumer financing needs).

Retail also deserves attention given the major uptick in e-commerce due to the pandemic, with a wave of new offerings in Turkey, including Trendyol Cüzdan, Hepsipay, and Migros MoneyPay. For all major big tech players aiming to become a Superapp (Trendyol, Getir, yemeksepeti are a few examples), building payment system capabilities will need to be seen as an infrastructure investment, without which it becomes difficult to deploy new services such as food delivery or taxi, for instance. Equally, services industries such as airlines, food and beverage, among others, are inevitably going to be either using payment solutions from smaller fintech companies or developing their own.

Tapping into Less Obvious Sources of Talent

Finding candidates is becoming harder every day, and even more so in a field that evolves so quickly. The current fintech landscape calls for talent that can switch roles as business evolves. Software developers are expected to think like product managers; product managers are expected to code; growth hackers are expected to be data scientists; and data scientists are expected to build models. Leaders are expected to be well-versed in stakeholder relations and able to engage with regulators, and cybersecurity skills will become invaluable in an already scarce pool.

An ongoing challenge is the relocation of top talent in Turkey, which has risen in the last few years and only accelerated with remote work. Another challenge is development as young entrepreneurs both lack leadership skills in the growth journey of their companies and might be too late in recruiting more experienced leaders in the scale up journey. They focus on their own strengths, which is usually technology or product oriented, but might ignore strategic areas, such as human resources or communication, which are critical assets as companies grow. Fostering a talent pipeline early on is another challenge. University programs, typically theoretical and outdated, are unequipped to keep pace with the fast changes in the industry.

So where can companies find the talent they need? The convergence of fintech with other industries, for instance, may broaden the talent pool: Fintech companies are sourcing mostly from banks and e-commerce, sometimes from telecommunications and retail.

Some product managers are rooted from FMCG Industry, particularly those who gained some experience in a digital business. Technology companies, big software houses, systems integration companies, banks and telecoms have always been good sources of talent when it comes to building up the technology teams of fintechs. The talent war for new generation players in the financial services will get harder with new players entering the market every day.

Companies need to approach talent as a strategic priority and start working on talent acquisition, retention, and growth policies from today. Startup success hinges not only on entrepreneurial, risk-taker young talent, but also—and increasingly—on experienced, business-minded and adaptable leaders to grow sustainably and respond to evolving trends and regulations. Product management, growth hacking, software development, cybersecurity, customer experience, stakeholder engagement, and data analytics stand out as skills that will be in demand not only from fintech industry, but from any consumer internet business.



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