Anti-Money Laundering Operations Management

The Talent Equation: Solving the Skills, Training, and Performance Gap

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Issues With The Current Fincrime Talent Market

Supply & demand

The current talent market is grappling with a significant misalignment between supply and demand. While there might appear to be an abundant global talent pool, the reality is that supply and demand dynamics are often highly localised, varying by jurisdiction and even within specific regions.

For instance, organisations that insist on centralising talent in a specific office, such as in London, may find themselves constrained by a limited pool of candidates, leading to compromises on quality or increased costs to secure the necessary resources.

Adopting a broader, more international view of talent acquisition could help alleviate some of these challenges. By aligning hiring strategies with markets and client needs on a global scale, organisations can create a more balanced supply-demand equation.

Often, clients and firms fixate on jurisdiction-specific requirements, where local nuances are emphasised. However, most of these regulations are grounded in global standards and while there are certainly jurisdictional variations, these are often minor and do not justify the strict localisation of talent that often seems to apply.

Fraud typologies, for example, demonstrate striking similarities across regions. The bad actors and the methods they employ often transcend borders, making the core skills needed to combat them equally transferable. Overemphasising jurisdictional differences can unnecessarily limit the ability to tap into global skill sets.

Despite the clear benefits of leveraging international talent, several challenges persist. One of the primary barriers is the lack of understanding and capability to effectively integrate and manage global teams. Working with analysts in countries such as India, Sri Lanka, or the Philippines, for instance, requires a structured approach. This includes adapting training methodologies, operational processes, and management practices to align with local work cultures and conditions.

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The responsibility for this adaptation lies not with the analysts but with the organisations directing and training them, often the deficit in this planning means analyst capability is written off. Firms must develop or partner with entities that possess the expertise to operate efficiently in these environments. This capability can unlock access to vast reservoirs of untapped talent, enabling organisations to address their needs without competing in oversaturated local talent pools.

Organisations equipped to adopt a global perspective on talent acquisition and management can gain a strategic advantage. By leveraging diverse skill sets from across the globe, firms not only expand their talent options but also reduce dependence on high-cost, highly competitive local markets. This approach allows for the deployment of substantial resources to tackle pressing challenges, with the added benefit of accessing fresh perspectives and innovative solutions from a broader talent base.

The misalignment of supply and demand in the talent market is a solvable challenge. By embracing globalisation in talent strategies, rethinking jurisdictional biases, and investing in the capability to manage international teams effectively, organisations can position themselves to thrive in an increasingly interconnected world. The key lies in recognising the opportunities that global talent presents and accessing the infrastructure to harness its full potential.

Market Dynamics

A significant challenge in the talent market today is the overreliance on experience as a proxy for skill. Employers often demand candidates with a set number of years of experience, assuming that more experience equates to higher capability. However, our observations suggest that experience alone does not guarantee better performance. In many cases, companies end up paying a premium for experience despite clear, observable data that less experienced employees can outperform their more seasoned counterparts. This becomes particularly problematic in contract or day-rate scenarios, where clients place undue value on tenure instead of focusing on demonstrated effectiveness.

One of the root causes of this issue is how recruitment processes are structured. Recruiters often rely heavily on CVs, which naturally leads to an emphasis on experience. This reliance is further compounded by the use of keyword-based searches, which prioritise specific terms over a comprehensive evaluation of a candidate's skills and potential. Since most recruiters have not performed in the roles they're hiring for, they lack the nuanced understanding of what "good" looks like beyond the years spent in a position. As a result, they may assume that someone with six years of experience must be proficient, overlooking candidates who might be more talented but have fewer years in the industry.

While skills assessments are sometimes part of the hiring process, they are often used only after an initial screening based on experience. This approach limits the pool of candidates who get the chance to demonstrate their abilities. Furthermore, many skill assessments used today are theoretical, focusing on knowledge that can be easily memorised rather than testing practical, real-world capabilities. This gap in assessment methods means that companies may still not be accurately gauging a candidate's true skill level.

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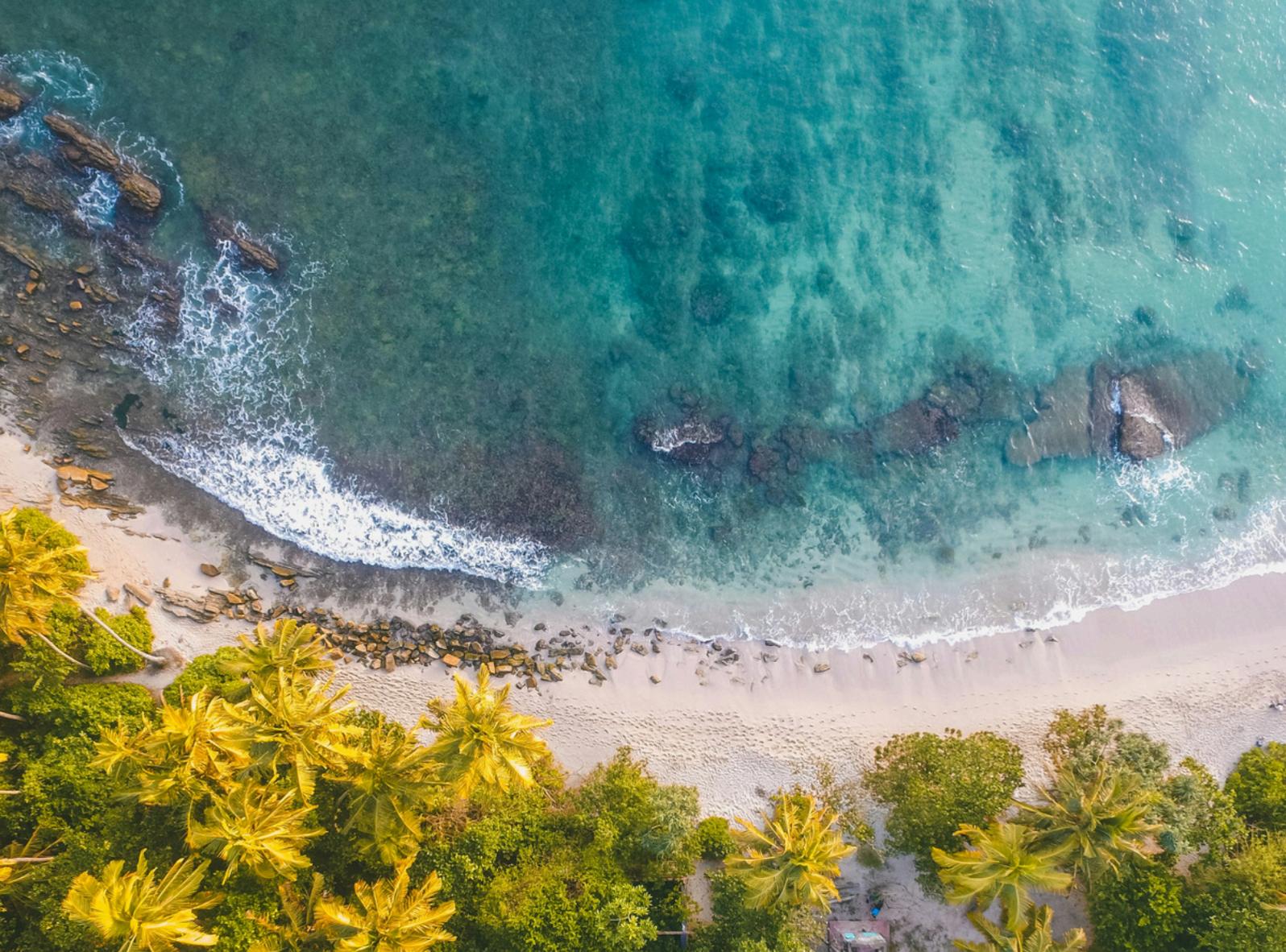
The Skills Gap

The skills gap is a pervasive issue affecting a multitude of industries worldwide, and the Anti-Financial Crime sector is no exception. Organisations, particularly those under stringent regulatory pressures, are not only grappling with a shortage of skilled professionals but also struggling to allocate their existing resources effectively. While the immediate solution appears to be hiring experienced individuals, this approach often overlooks a vast pool of potential talent that, with proper training and support, could be nurtured to address both the quantity and quality of skilled professionals required to drive the industry forward.

In an effort to meet regulatory demands swiftly, many organisations opt for analysts with CV experience at similar organisations who they believe can "hit the ground running". This preference for experience over capability excludes candidates who may lack specific experience but possess

the adaptability and aptitude to succeed given time. The best performers in any role are not always those with the most experience but often those who grow into their positions, surpassing expectations through learning and development. By focusing narrowly on experience, companies limit their talent pipeline and miss out on individuals who could bring fresh perspectives and skills to the table.

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Adding to these challenges is the rise of AI in recruitment. On one hand, AI-driven recruitment tools have streamlined the hiring process for employers, enabling them to sift through large volumes of applications quickly. On the other hand, candidates are using AI to generate CVs and cover letters, leading to a "sea of sameness" where applications become indistinguishable. This has overwhelmed hiring managers, making it challenging to identify genuine talent amidst thousands of generic applications.

A significant barrier to hiring less-experienced talent is the absence of structured training programmes and clear processes within organisations. Without robust onboarding and development pathways, bringing new hires up to speed becomes challenging, placing undue pressure on both the employee and the employer. Consequently, employers hesitate to invest in candidates who may require additional training. Investing in comprehensive training and well-documented procedures, however, enables organisations to harness the potential of candidates who may lack experience but possess the right attitude and adaptability to thrive in the AML industry.

Furthermore, the rapidly changing demographic landscape necessitates a re-evaluation of recruitment strategies. With individuals aged 50 and over projected to comprise 50% of the UK workforce by 2030, it is crucial to ensure that the knowledge and experience of this segment of the workforce are effectively passed down to future generations. Relying solely on the experience of an ageing workforce is not a long-term sustainable solution to skill shortages. Instead, companies need to focus on identifying aptitude and potential across all age groups. By valuing adaptability and a willingness to learn over traditional experience metrics, organisations can tap into a wider talent pool. This approach not only addresses current skill gaps but also fosters a more dynamic and resilient workforce capable of meeting future challenges.

Recognising these challenges, forward-thinking organisations are adopting innovative recruitment strategies to bridge the gap between stated and actual capabilities. Our own internal research highlights key issues within candidate experience and data accuracy, revealing that 64% of members' work experience does not align with their LinkedIn profiles, and 44% have not provided sufficient information to accurately assess their skill levels. This lack of transparency and consistency underscores the need for more robust verification processes and alternative assessment methods to identify the right talent effectively.

To address such gaps, companies like Siemens have partnered with firms such as Arctic Shores to utilise AI-powered psychometric assessments. These assessments evaluate candidates based on aptitude and behavioural traits rather than solely on experience or qualifications. This approach expands the talent pool by identifying individuals whose values and behaviours align with the organisation, even if their documented experience is incomplete or inconsistent. Our own data indicates that only 38% of candidates provide experience that meets the required skill level, which reinforces the need for more comprehensive and insightful evaluation methods that go beyond traditional qualifications.

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Similarly, internal mobility programmes are proving to be an effective solution to skill shortages and information gaps. Pharmaceutical giant Novartis, for instance, has implemented a platform called Talent Match, which uses AI to pair existing employees with new opportunities within the company based on their skills and interests. Our internal findings support this approach, as 44% of members either did not provide key information or lacked a LinkedIn profile, pointing to an opportunity for businesses to better leverage internal data and AI-driven platforms to match employees with the right opportunities. By doing so, companies can foster continuous learning, upskill their workforce, and address skill mismatches from within.

In conclusion, to bridge the financial crime skills gap, a fundamental shift in mindset is required. Employers must value adaptability, current skills, potential, and a willingness to learn over rigid experience criteria. Our internal research highlights that only 38% of candidates provide experience that aligns with required skill levels, while 64% of work experience listed does not match LinkedIn profiles, reinforcing the need to look beyond traditional CVs. Rather than relying solely on the experience listed on CVs, organisations should implement assessments that test for relevant skills and competencies directly or partner with specialist providers to handle this, allowing them to focus on their core business. Data from our assessments also show that 44% of candidates fail to provide sufficient information to make an informed decision on their suitability, underscoring the importance of objective evaluation tools that can accurately measure capability. In an industry where regulations and required skill sets evolve rapidly, the ability to adapt is more valuable than static expertise. By fostering a culture that prioritises continuous learning and flexibility, and by evaluating candidates based on their actual skills and potential, organisations can build a resilient workforce capable of meeting current and future challenges. Our findings support the need for a more data-driven recruitment approach, helping businesses identify and develop talent that aligns with their evolving operational needs. In conclusion, to bridge the financial crime skills gap, a fundamental shift in mindset is required. Employers must value adaptability, current skills, potential, and a willingness to learn over rigid experience criteria. Rather than relying solely on the experience listed on CVs, organisations should implement assessments that test for relevant skills and competencies directly or partner with specialist providers to handle this, allowing them to focus on their core business. In an industry where regulations and required skill sets evolve rapidly, the ability to adapt is more valuable than static expertise. By fostering a culture that prioritises continuous learning and flexibility, and by evaluating candidates based on their actual skills and potential, organisations can build a resilient workforce capable of meeting current and future challenges.

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The Contractor Conundrum

The current talent market is facing a challenge that can be described as being "contractor heavy." Many organisations today tend to draw from the same pool of contractors, with these professionals cycling between different companies, transitioning to consultancies, and then returning to similar roles elsewhere. This trend has led to a situation where, rather than hiring permanent staff, companies, particularly in the remediation space, turn to contractors for short-term solutions.

The reason behind this reliance is largely linked to the temporary nature of many projects. Banks and consultancies often view remediation work as a temporary necessity, which makes them reluctant to hire permanent staff. The flexibility that contractors offer—their "fungibility"—is attractive because it allows these organisations to scale resources up and down as needed, without the risk and commitment associated with permanent hires. However, this comes at a cost: a premium is paid for the short-term nature of contractor engagements, and the expertise brought by these contractors is often overestimated. Additionally, there is an employment risk associated with relying on short-term contractors, as repeated or extended engagements can sometimes lead to these contractors acquiring long-term employment rights, creating further complications and liabilities for organisations.

With the contractor model, a significant issue is the lack of long-term professional development. Contractors are typically expected to come in, do the job, and then leave, which means there is little to no investment in their ongoing development or in enhancing their capabilities. This results in a workforce whose skills may stagnate, with no structured learning or growth path. The emphasis on hiring experienced contractors, without room for professional growth, can lead to outdated capabilities and a lack of innovation.

Another downside to a contractor-heavy market is the risk of suboptimal performance. When companies scale their workforce rapidly, such as adding 100 contractors in a hurry, there is little time to assess and filter out weaker performers. Consequently, inefficiencies and lower-quality work can go unnoticed, as the sheer volume of people can mask individual shortcomings. This is particularly problematic when third-party consultancies manage these engagements, as they are often incentivised based on headcount rather than outcomes. Many consultancies operate under time-and-materials pricing models, where revenue is directly tied to the duration and size of the engagement. This structure discourages prioritising top talent or accelerating project timelines, as doing so could reduce billable hours and profitability.

The end result is a market saturated with the same contractors moving from one gig to the next, without significant improvements in capability or outcomes. Companies are left paying a premium for short-term fixes, while neglecting a more strategic approach. To truly overcome the challenges of a contractor-heavy market, businesses need to rethink how they approach talent management—not by bringing everything in-house, but by adopting a managed services model that focuses on outcomes, efficiency, and sustainable performance.

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Outcome-driven models of outsourcing with pricing tied to results provide a structured and effective alternative to the traditional contractor approach. By partnering with a firm that employs outcome-based pricing, organisations gain access to a workforce that is rigorously vetted, continuously trained, and supported by robust processes to ensure both quality and accountability. Unlike conventional contractor arrangements, this approach aligns outsourcing efforts with long-term business objectives, measuring success against defined outcomes rather than simply scaling headcount or filling positions.

Professional qualifications

Professional qualifications remain a key focus in the industry, with many organisations relying heavily on formal certifications. However, through our experience of guiding hundreds of analysts through these courses, we've found that while these certifications provide a strong foundation in understanding the regulatory landscape, they often fall short in evaluating the practical skills essential for the job. The knowledge acquired through these courses tends to be theoretical, focusing on facts and regulations, rather than testing the hands-on skills necessary to perform effectively in a real-world setting.

These certifications can teach individuals who FATF (Financial Action Task Force for those who don't know) are and what their role is, but they do not assess whether a person can navigate the practical challenges of the role. For example, they do not cover how to deal with a resistant front office questioning why particular information is needed or how to effectively collaborate within an organisation to gather and interpret data. The lack of emphasis on practical application leaves a significant gap in a candidate's readiness to perform on the job, even if they have the qualifications.

Many firms end up using these certifications as a sort of "badge" because the industry demands it. However, it is often a poor proxy for true capability. Although having such qualifications is better than nothing and provides newcomers to the industry with essential knowledge, it does not necessarily equip them with the capability to perform effectively.

The gap could potentially be bridged through the use of practical simulations, such as case simulators or scenario-based assessments. By exposing analysts to real-world scenarios, where information is not presented linearly or where judgement calls are required, organisations could better test the readiness of a candidate to handle the complexities of financial crime operations. This would allow for a more realistic assessment of whether an individual can deal with the unpredictable nature of the role—something that theoretical knowledge alone cannot provide.

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Moreover, there is also a critical need to develop and assess human skills, or soft skills, alongside professional qualifications. The ability to engage with stakeholders, communicate effectively, and build relationships can be just as important as technical knowledge. In a role that involves constant interaction with different departments and external clients, these soft skills can significantly impact the quality of work and the ease with which tasks are completed.

While scenario-based testing is a step in the right direction, even this approach may not fully capture all the skills needed. A combination of interviews, hands-on simulations, and scenario-based tests is necessary to truly gauge whether an individual possesses both the technical and human skills required to succeed in the field.

CONCLUSION

The challenges facing the current talent market in the anti-financial crime sector is multifaceted, but it is not insurmountable. Addressing the supply-demand imbalance requires organisations to move beyond traditional hiring practices and embrace innovative approaches to recruitment, training, and workforce management.

Globalisation offers a powerful solution, enabling firms to tap into a diverse talent pool across jurisdictions while reducing reliance on oversaturated local markets. By shifting the focus from rigid experience metrics to adaptability, potential, and practical skills, organisations can unlock a broader spectrum of talent that is often overlooked. Structured training programmes, scenario-based assessments, and investment in human skills can further bridge the gap between theoretical knowledge and practical application.

To combat the overreliance on contractors for short term projects, firms should explore managed service models that prioritise outcomes and efficiency over headcount and thus indirectly invest in a talent pool they can come back to. Such models ensure long-term value by fostering a workforce that is continuously developed and aligned with organisational goals. Similarly, redefining how professional qualifications are utilised—focusing on real-world capabilities rather than badges of theoretical knowledge—can create a more effective and capable workforce.

Ultimately, the way forward lies in adopting an industry level approach to talent management. By recognising the untapped potential within global, diverse, and non-traditional talent pools and utilising effective partners, organisations large and small can position themselves to scale and thrive in an evolving industry. Through a commitment to adaptability, innovation, and continuous learning, firms can not only meet current demands but also build a resilient workforce equipped to navigate future challenges.

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How to Hire Good Analysts

What makes a good analyst

When hiring good analysts, it's important to recognise that the ideal candidate is a blend of multiple skill sets. A good analyst combines interpersonal skills, subject matter knowledge, and the ability to practically apply what they know. Let's break down these critical components:

Persistence: A skilled analyst goes the extra mile to fully resolve a problem, committing to the crucial final 20% and they don't just settle for simply filling in information to move the process along. For example a good EDD analyst will work to understand ownership and control through complex ownership layers and good TM analysts will critically assess transactions in the context of the customer profile and provide clear, well-reasoned justifications for their conclusions.

Interpersonal Skills: A successful analyst must be good with people. Whether interacting with the front office or other stakeholders, strong interpersonal abilities are essential. This ensures they can effectively communicate and collaborate, which is especially important in navigating complex organisational dynamics.

Subject Matter Expertise: Analysts need a solid grounding in their field, whether it be Anti-Money Laundering (AML), financial crime, transaction monitoring, or another area. Understanding the subject is crucial, but it must go beyond theoretical knowledge—practical application is where the real value lies.

Practical Skills: It is not enough to have the technical knowledge; analysts must be able to put their skills into practice effectively. This practical application ensures that they can bridge the gap between theory and action, making meaningful contributions to the team and the organisation.

Curiosity and Attention to Detail: Great analysts possess a natural curiosity and an inclination to dig deeper when needed. They notice loose threads and pull on them, driven by a sense of wanting to understand what doesn't seem quite right. This investigative mindset is critical in areas like AML, where understanding subtle discrepancies can make a significant difference. Attention to detail is also non-negotiable; analysts must be accurate to avoid missing critical information.

Aptitude and Potential: While many skills can be trained, certain attributes like curiosity and attention to detail are more innate. When hiring, it's beneficial to look for individuals who naturally possess these traits. This potential often makes the difference between someone who is simply doing the job for a paycheck and someone who thrives in the role and adds real value.

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In summary, a good analyst is a combination of soft skills, subject matter expertise, practical application, curiosity, and attention to detail. Hiring individuals with these core attributes will result in analysts who not only fulfil their role but contribute significantly to the broader goals of the organisation.

How to choose a good analyst

Choosing a good analyst is a challenging but essential task, requiring a combination of effective selection skills, proper evaluation tools, and a focus on both aptitude and experience.

A crucial aspect of hiring a good analyst is having appropriate testing in place. This means not relying solely on a candidate's stated experience but actively testing whether they have the skills to do the work effectively. Experience, while valuable, is not always a perfect proxy for capability. For more experienced candidates, it is essential to implement relevant assessments that verify their skill set, ensuring they meet the practical demands of the job.

When hiring junior analysts, the focus should shift towards assessing their aptitude rather than their technical skills, as they may not have had the opportunity to develop these yet. Testing for aptitude is key, as it provides insight into their potential to learn and adapt within the role. Aptitude assessments often reveal qualities that are difficult to gauge in a standard interview, such as problem-solving abilities, learning agility, and adaptability.

Interviews, while helpful, mainly provide insight into the candidate's interpersonal skills, ability to articulate ideas, and general fit within the company culture. Reviewing CVs may offer a glimpse into a candidate's background, but CVs are often tailored—sometimes with the assistance of AI—to include specific keywords that recruiters look for. This optimisation, driven by recruitment practices that rely on keyword scanning, can make it difficult to discern a candidate's true qualifications.

In a market where CVs are designed to cater to search algorithms, the emphasis should be on robust aptitude testing over simply reviewing CVs. Evaluating a candidate's ability to perform the tasks at hand, alongside gauging their attitude and willingness to grow, is far more valuable than relying on how many buzzwords appear in their application.

The hiring process should ideally begin with aptitude assessments, followed by interviews to understand the candidate's level of experience, seniority, and technical capabilities. This structured approach ensures that organisations hire analysts who are not only technically skilled but also capable of growing and adapting as the role evolves.

In conclusion, the key to hiring good analysts lies in balancing the assessment of skills, experience, and, most importantly, aptitude. By focusing on potential rather than just a candidate's current skills, organisations can ensure they are building a workforce that is adaptable, capable, and ready to face the challenges of an ever-evolving industry.

Aligning remuneration with outcomes

Aligning remuneration with outcomes is a critical approach to enhancing productivity and quality within analyst roles. We've observed that when remuneration is directly tied to outcomes, both productivity and quality improve significantly. Analysts become motivated to ensure their work passes quality control, as their compensation depends on it. This not only benefits the analysts but also results in higher quality outputs for clients.

Moreover, linking remuneration to performance outcomes encourages analysts to seek process improvements. A smoother, more efficient workflow enables them to complete more cases, which directly impacts their earnings. This alignment between outcomes and financial incentives drives analysts to look for ways to optimise their work, benefiting both the individual and the organisation.

In contrast, the traditional day-rate model often fosters complacency. Analysts in such a system may aim to stay in the middle of the performance pack to avoid negative attention, with no clear incentive to be the fastest or most efficient. This model can lead to a culture where everyone is content with average performance, resulting in a misalignment between the organisation's needs—good quality work done efficiently—and the analysts' personal motivations.

There is also a tendency for analysts to avoid working too quickly, particularly towards the end of a project, out of concern for what comes next. They may want to ensure they don't complete a contract before lining up the next one, which further discourages efficiency. Without a direct incentive to prioritise speed and quality, analysts may fail to fully align with client expectations, which typically include delivering high-quality cases as swiftly as possible.

Even in instances where a consultancy layer might be outcome-aligned, it is unlikely that the same applies to the analysts performing the day-to-day tasks. This disconnect can lead to a situation where consultants push for more output, but the analysts' financial motivation remains misaligned, fostering a culture of mediocrity instead of striving for excellence.

Ultimately, aligning remuneration with outcomes can be a powerful lever to motivate analysts, improve work quality, and achieve better client satisfaction. Creating a direct link between analyst compensation and the speed and quality of their work can lead to a more engaged workforce that is genuinely incentivised to meet and exceed client expectations.

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Training and Validating New Analysts

Tailored Training

Effective training and validation of new analysts is key to building a competent, efficient workforce. The first step is a thorough training needs assessment, ensuring that each analyst receives training specific to their unique needs and gaps. There is no point in training someone on skills they already possess; understanding individual training needs at a granular level helps create a well-rounded team capable of addressing varied tasks. For example, it makes little sense to train someone in transaction monitoring (TM) if they are solely focused on screening. Tailored training, therefore, means identifying gaps and providing targeted education to bridge those gaps effectively.

Additionally, it is crucial to recognise that different individuals have different strengths. Some analysts thrive in high-volume, fast-paced environments, while others excel in more complex cases that require deep analysis. Understanding these preferences and assigning tasks accordingly not only optimises performance but also enhances job satisfaction. Training should support these strengths, but sometimes it is more effective to place an individual in a role better suited to their innate preferences rather than trying to train them for something that may not align with their skills.

Validation of training is another key aspect that is often overlooked. Continuous assessment during and after training ensures that knowledge has been properly absorbed. Quality control (QC) mechanisms provide a granular opportunity for learning as analysts work through tasks. However, QC is frequently underutilised as a tool for growth and is instead seen only as a pass/fail metric. By analysing QC data for key trends and common issues, organisations can identify gaps not only in individual learning but also in the overall training programme itself.

The industry's contractor-heavy model presents another layer of complexity. Many firms hesitate to invest in training because of the temporary nature of contractor roles, leading to a lack of individual development. The mindset that training is a wasted investment on short-term contractors is detrimental to long-term success. Even if analysts are only with the organisation for a few months, proper training can significantly improve their output and, consequently, project outcomes.

Finally, a training needs assessment is not just about evaluating people—it should also involve examining processes and policies. Training failures often indicate deeper issues within an organisation's processes or guidance. If multiple analysts are struggling with the same task, it might be an issue with unclear guidance or inconsistent procedures. Therefore, assessing training needs should serve as a dual-purpose exercise: identifying the knowledge gaps in people and uncovering inefficiencies or ambiguities in organisational processes.

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Building a truly effective analyst team requires a nuanced approach to training and validation—one that considers individual strengths, ongoing assessment, investment in development regardless of contract length, and a willingness to address both individual and systemic challenges.

What do you need to train analysts on

Training new analysts requires a sharp focus on practical, real-world application rather than abstract theory. The dynamic nature of industries such as financial services necessitates training that covers evolving regulations, software tools, and processes. However, the emphasis should be on how these elements are applied in everyday scenarios rather than memorising regulatory details.

The type of work analysts perform demands hands-on, practice-oriented training. For instance, while understanding regulatory guidelines is essential, it is more important for analysts to know how to apply these guidelines to solve day-to-day problems. Training should aim to recreate real-life situations as closely as possible, using synthetic data or simulated environments. This approach allows analysts to develop problem-solving skills without exposing them to live situations prematurely.

Successful analysts often exhibit innate qualities such as curiosity and attention to detail. Effective training should teach them how to harness these attributes. For example, analysts must learn to identify anomalies or inconsistencies, such as discrepancies in an email address or irregularities in documentation. Encouraging them to "pull the thread" and investigate further fosters critical thinking and helps them build a narrative that supports their conclusions.

Analysts are responsible for making numerous micro-decisions throughout the investigative process. Training should guide them on how to evaluate evidence, weigh risks, and validate client records. This involves teaching them to ask the right questions, such as:

- Why does this piece of evidence look inconsistent?
- How does this client's profile align with our risk appetite?
- What additional information do I need to close this gap?

By instilling confidence in their decision-making process, analysts can compile more robust cases that stand up to regulatory scrutiny.

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A critical component of training is preparing analysts to meet the expectations of regulators. When a regulator examines a client record, they are likely to question how the analyst reached their conclusions. Training should include scenarios that require analysts to:

- Justify their reasoning.
- Explain how they validated client information.
- Highlight how their findings fit within the organisation's risk framework.

This helps analysts understand the importance of transparency and thoroughness in their work.

Training does not end after onboarding. Continuous development is necessary to keep analysts up-to-date with changes in the industry and to refine their practical skills. Regular simulations, workshops, and feedback sessions can ensure analysts remain agile and effective in their roles.

The key to training and validating new analysts lies in blending practical application with a focus on leveraging their natural attributes. By creating realistic scenarios, fostering curiosity, and teaching effective decision-making, organisations can build a strong, adaptable analyst workforce ready to meet the challenges of an ever-changing industry.

How do you train new analysts

Training new analysts requires a thoughtful, practical approach that goes beyond traditional methods. Organisations must focus on creating dynamic, scenario-based training environments that emphasise decision-making and the application of knowledge in real-world situations. This approach ensures analysts are prepared not only to understand the theory but also to act effectively when faced with complex challenges.

Traditional training often relies on static case studies that suggest there is only one correct answer. This approach falls short in preparing analysts for the varied nature of their roles. Instead, training must focus on scenarios with multiple potential outcomes, requiring analysts to make decisions, evaluate consequences, and confirm their confidence in the outcomes. Shifting from purely theoretical knowledge to applied learning helps analysts develop the critical thinking and adaptability necessary for their roles.

While practical training is vital, it must be balanced with theoretical learning to provide a foundational understanding. This combination helps prevent the development of bad habits that can arise during on-the-job training. Training programmes should include structured theoretical modules alongside practical learning, with an emphasis on real-world application through case simulators and scenario-based exercises. Client-specific training is also crucial, as it addresses unique requirements that may evolve over time.

With the rise of remote work and multinational operations, remote training has become a necessity. Effective remote training requires clear structure and objectives to replace the traditional "over-the-shoulder" guidance. Interactive methods that accommodate different learning styles, such as visual, oral, and experiential learning, are essential. Breaking content into bite-sized modules mirrors the short attention spans seen in social media consumption patterns and helps keep learners engaged. By designing training hubs and leveraging technology, organisations can deliver effective remote learning without compromising quality.

Continuous improvement is critical for analyst development. Training programmes should incorporate regular measurement points to identify failures and areas for improvement, supported by feedback mechanisms that inform both individual learning and organisational strategies. A culture of constant learning ensures analysts can adapt to changing industry standards and requirements.

Validation is another vital component of effective training. Practical testing methods, such as case simulators, help ensure analysts can apply their training competently. Simulators can mimic the pace and unpredictability of real-life scenarios, challenging analysts to adapt quickly. Exercises that replicate real workflows, including periods of high intensity followed by lulls, help reinforce knowledge retention and ensure readiness for the demands of the role.

CONCLUSION

The successful training and validation of new analysts hinge on a tailored, practical, and continuous approach. Organisations must go beyond traditional methods, focusing on real-world application and adaptive learning to build a workforce ready for the complexities of today's industries.

Tailored training ensures that each analyst's unique strengths and gaps are addressed, allowing them to thrive in roles that align with their skills. Validation, through ongoing assessments and quality control, reinforces learning and highlights areas for improvement, creating a culture of continuous development. By integrating practical simulations and scenario-based exercises, organisations can prepare analysts to make confident, well-informed decisions under pressure, fostering critical thinking and adaptability.

Equally important is the recognition that training is not a one-off effort but an ongoing process. Regular updates, feedback sessions, and evolving methodologies keep analysts sharp and aligned with industry demands. This investment in training benefits not only the individual analysts but also the broader organisation, as it cultivates a skilled and resilient team capable of navigating the ever-changing challenges of their field.

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Continuous Learning: Feedback Loops, Testing, and Performance Improvement

Why constant learning is important

The importance of continuous learning cannot be overstated, particularly when considering the dynamic nature of competitive challenges faced by organisations. At its core, the need for ongoing learning stems from one simple truth: there is always someone on the other side learning how to outmanoeuvre your systems, processes, and safeguards.

The individuals or entities aiming to exploit weaknesses in your organisation are not static. They are continually learning—understanding how your processes work, identifying acceptable behaviours and limits, and seeking ways to bypass your defences. They are actively searching for the weakest points and refining their strategies to overcome the barriers you put in place. Their persistence and adaptability are often driven by significant rewards, making it crucial for organisations to remain proactive in their learning.

Continuous learning enables organisations to stay ahead by identifying emerging vulnerabilities and reinforcing their defences. Without this commitment, there's a significant risk of falling behind as adversaries become more sophisticated. The environment in which businesses operate is also in constant flux. Technological advancements, evolving regulations, and shifts in organisational structures and product offerings all contribute to a landscape that demands agility and adaptability.

Regulations, processes, and technology are also constantly evolving, creating a continuous need for learning. Moreover, learning itself is a skill, and to keep pace, organisations and individuals must learn how to learn.

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The Feedback Loop

The feedback loop involves taking input from Quality Control (QC) and directing it back into the analyst's work, helping to optimise ongoing learning and overall performance. The key idea is that the faster an analyst learns from their mistakes, the easier it becomes to correct them and improve, preventing the formation of bad habits.

Instead of requiring analysts to undertake lengthy or complex training modules, feedback from QC can be delivered as micro-learning segments. This targeted approach allows analysts to focus precisely on the issue at hand, reinforcing the learning gained from a recent mistake rather than relying on broad, less memorable training sessions.

Ensuring that feedback is contextual and detailed is also crucial. A simple pass/fail assessment may not always be sufficient, as the reasons behind a result are not always black and white. Understanding how the reviewer's thought process differs from the analyst's can be invaluable. It is essential to present QC feedback in a structured manner, breaking it down into distinct areas and highlighting specific passes and fails. Although this can feel time-consuming when striving to remediate files quickly, investing in this approach ultimately pays dividends by strengthening the learning process, enhancing overall quality, and saving time in the long run, as it ensures analysts learn to get it right the first time more often.

Ongoing testing

The effectiveness of training in the workplace is often undermined by a failure to embed learning into long-term memory and actionable competence. Research shows that up to 60% of knowledge gained during training is forgotten within 24 hours, a phenomenon known as the "forgetting curve." This highlights the limitations of traditional one-off training approaches, particularly in complex and compliance-driven industries such as Anti-Money Laundering. To overcome these challenges, organisations must embrace models of ongoing learning and measurement, where testing becomes a continuous process that directly supports individual and organisational performance.

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Ongoing testing is essential to ensure that learning outcomes translate into practical skills and behavioural change. Unlike traditional methods that focus on delivering knowledge and testing short-term memory, iterative testing incorporates a feedback loop that enables individuals to revisit, reinforce, and refine their understanding over time. This process aligns with the natural mechanisms of human memory, relying on emotional engagement, repetition, and spaced learning to make knowledge "stick." For instance, testing triggers emotional responses—positive when employees answer correctly and negative when they make errors—which strengthen neural pathways and improve retention. By creating these opportunities for engagement, organisations help employees consolidate their learning and build stronger cognitive foundations.

evisiting material at carefully timed intervals, known as spaced repetition, further enhances retention by leveraging the brain's need to consolidate information over time. Testing at intervals allows employees to reinforce knowledge during the day and solidify it overnight as the brain processes and stores information during sleep. This iterative approach not only makes learning more effective but also ensures that employees are better equipped to retrieve and apply knowledge when needed. In doing so, ongoing testing creates a sustainable cycle of learning, testing, and improvement that builds competency over time.

In addition to supporting individual learning, ongoing testing plays a crucial role in closing feedback loops for organisations. For employees, testing highlights gaps in understanding and pinpoints areas where further focus is required. For organisations, it provides a wealth of data on competency levels across teams, helping identify patterns of success or failure. This data-driven insight enables leaders to make informed decisions about where to allocate resources or adjust training efforts. By continually refining the learning process, organisations create an adaptive framework that evolves with their needs.

The traditional model of workplace training often fails because it lacks mechanisms to monitor the translation of knowledge into practice. Employees may mislearn material, forget key information, or lack the feedback necessary to course-correct. Without ongoing testing, these issues remain undetected, allowing inefficiencies and errors to persist. Iterative testing mitigates these risks by embedding repeated exposure to critical content, correcting misconceptions, and aligning learning outcomes with organisational objectives. Furthermore, it shifts the focus from mere knowledge acquisition to competency validation, ensuring employees are not only informed but capable of performing their roles effectively.

This approach has demonstrable business benefits. Organisations that adopt iterative testing have reported improvements in key metrics such as first-contact resolution rates, error reductions, and faster onboarding times. These gains translate directly into reduced operational costs, higher customer satisfaction, and stronger compliance outcomes.

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Ultimately, ongoing testing represents more than just a practical solution—it embodies a cultural shift towards continuous improvement. It requires organisations to rethink their learning strategies, moving away from "one and done" approaches and embracing adaptive, data-driven methodologies. By fostering collaboration across departments and aligning learning initiatives with broader business objectives, organisations can ensure that their workforce development efforts have a measurable impact. In the AML sector, where adaptability and vigilance are essential, ongoing testing offers a path to not only meet but exceed the demands of a rapidly evolving landscape.

Supporting under performance and how to bring back to high performance - what to do with on-going under-performance

Underperformance is a challenge every leader encounters, but addressing it effectively requires a careful balance of empathy, strategy, and decisiveness. When underperformance is observed—particularly across a group—it's crucial to take a step back and assess the bigger picture before jumping to conclusions. Here are some key considerations for identifying and tackling the root causes of underperformance, ensuring both fairness and productivity.

The first question to ask is whether people are being set up for success. Are team members receiving the right direction and guidance? In some cases, underperformance stems from ambiguity rather than lack of effort. For instance, are the expectations and goals clear? Do individuals have access to the resources they need? Are they supported with the right training or tools? Often, addressing these systemic gaps can help resolve performance issues without singling out individuals. It's essential to question your support processes and ensure they are robust enough to empower your team to thrive.

Once you've assessed the broader environment, it's time to focus on the individual contributors. Not all underperformance is created equal, and understanding its nature is crucial. Some people may simply need coaching, training, or a better understanding of the context to perform effectively. These gaps can often be bridged through investment in development. In other cases, individuals may lack fundamental skills or traits such as curiosity, attention to detail, or problem-solving abilities. These are harder to address and often require a different approach. The ability to distinguish between these two types of underperformance is critical. While knowledge gaps can be remedied with the right support, capability gaps may indicate a misalignment between the individual's strengths and the role requirements.

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Data is an invaluable tool in identifying and addressing underperformance. By relying on objective metrics, you can pinpoint patterns of underperformance within teams or individuals, remove emotional bias from the decision-making process, and provide clear evidence to support interventions or changes. For example, performance dashboards or KPIs can highlight where individuals or teams are struggling, allowing leaders to address issues proactively. Data-driven insights not only provide clarity but also build trust among team members by demonstrating fairness.

Once underperformance is identified, the next step is deciding on the appropriate action. This involves supporting growth for those who demonstrate potential but need guidance, offering targeted coaching, training, and mentoring to help them succeed. Ensure they understand the context and expectations clearly. If someone lacks the motivation or foundational skills necessary for the role, it may be time to explore other opportunities for them. Helping individuals transition to roles better suited to their strengths can be a positive outcome for both parties. As a leader, it's vital to balance patience with decisiveness. While growth and development should always be the first option, prolonged underperformance in critical areas cannot be overlooked. The consequences of unresolved issues can be too significant, both for the individual and the organisation.

Ultimately, addressing underperformance is as much about leadership as it is about management. By creating an environment where expectations are clear, support systems are robust, and decisions are grounded in data, leaders can foster a culture of accountability and continuous improvement. This approach not only mitigates the impact of underperformance but also reinforces a commitment to fairness and professional growth. As leaders, we must remember that our role is not just to manage outcomes but to empower our teams to achieve their fullest potential.

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CONCLUSION

Organisations must move beyond static processes and reactive approaches to build a culture of adaptability, learning, and accountability. The key lies in recognising the interconnected nature of continuous learning, effective feedback, and the strategic management of underperformance.

At the heart of this approach is the understanding that challenges—whether posed by external adversaries, shifting regulations, or internal inefficiencies—require proactive solutions. Continuous learning ensures that organisations stay ahead, equipping employees to meet emerging challenges with confidence and competence. Feedback mechanisms, when implemented effectively, turn mistakes into opportunities for growth, embedding a cycle of improvement that benefits individuals and the organisation as a whole.

Equally, addressing underperformance cannot be seen in isolation. By ensuring individuals have the tools, guidance, and opportunities to succeed, organisations can transform potential barriers into pathways for innovation and success. When underperformance persists, clear expectations and data-driven insights enable leaders to act decisively while maintaining fairness and fostering trust.

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ABOUT NEXUS AML

NEXUS AML are a managed services firm and we have been successfully providing financial crime operational support to regulated institutions since 2017. We are able to operationalise Financial Crime policies and requirements into a repeatable and auditable work product and our skilled offering includes CDD, Screening and Transaction Monitoring (BAU and remediation).

Our innovative Nexus AML platform has been designed to address our clients' primary issues that are cost and quality. We proudly have over 2,500 registered members on our platform and increasing daily.

Cost: We pay our analysts per case subject to passing quality. Our clients pay per case for what they need, allowing them to scale up or down as required from 1 analyst to 1000+. This model is ideal for new firms who can access skilled resources when they are needed and for established firms to amplify their teams when needed.

Quality: We skill assess our analysts using testing based on case study scenarios and not just multiple choice. This testing approach focusses on skills and aptitude for the work rather than years of experience.

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