

EMPLOYMENT IN BANKS



- ▶ Is the banking sector an important employer?

- ▶ How is recruitment changing?
 - ▶ What share of jobs go to young people and women?

- ▶ What are the promising careers?
 - ▶ What challenges does the sector face?



BANKING, AN ACTIVE EMPLOYER

A dynamic player in the job market

The French banking sector is an important player in the job market.

over **42,200**
HIRINGS IN 2017
FBF



It is one of the leading private sector employers in France. **The 366,200 people** working in banks member of the Fédération bancaire française (FBF), make up **1.9% of all private sector salaried staff in France**.

Total headcount has been declining since 2011, with an annual fall of 1.2% in 2017 (following a 0.3% fall in 2016) ⁽¹⁾. In the euro zone, the number of employees in the banking sector is down 2% (ECB - 2017).

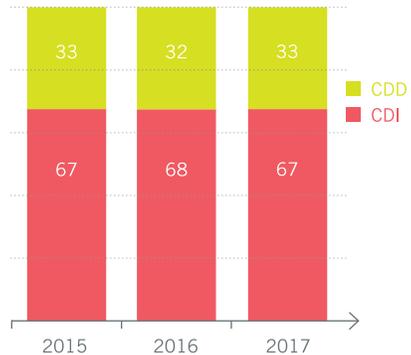
(1) The FBF scope includes all companies in the banking sector: retail banks belonging to the Association Française des Banques (AFB) and also cooperative and mutual banks.

Long-term highly qualified jobs

The sector offers long-term jobs: **2 out of 3 hirings are on permanent contracts** in banks compared to a national average for all sectors of 2 in 10. More than 98% of employees at banks have a permanent contract of employment.

NEW HIRINGS BY TYPE OF CONTRACT (in %)

Source : AFB⁽²⁾



(2) The AFB is the professional body representing retail banks in their social dimension. Figures on AFB scope.

Jobs in the sector are **increasingly highly qualified**. Young people with post-grad qualifications (Bac +4 /5) account for more than half of new recruits (57,8% in 2017).

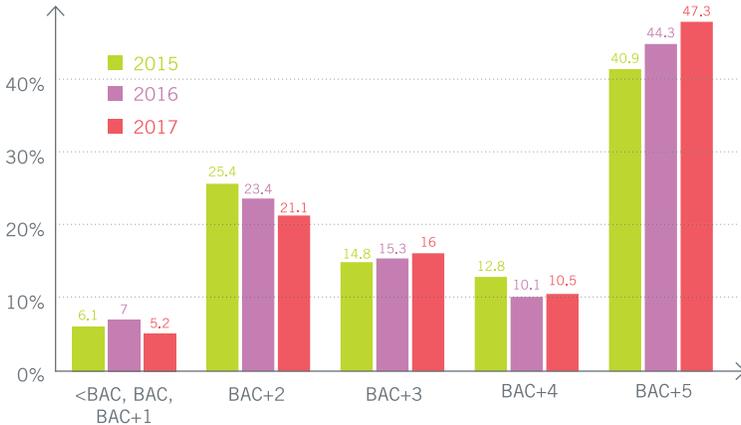
This reflects the trend in the industry toward more specialised careers and

was largely due to hirings of candidates with 5 years' higher education studies (Bac +5), up from 40.9% in 2015 to 47.3% in 2017.

Also, **two thirds of those hired** were managerial grade: 61.7% in 2017 (61% in 2016).

PERMANENT HIRINGS BY QUALIFICATIONS (in %)

Source: AFB



Changing age profile

Young people under the age of 30 continue to dominate in most career paths recruiting new staff. The customer relationship officer for retail clients is a frequent entry-level job for those starting out on a banking career. Other careers such as IT and organisational roles demand **profiles with greater experience** and these have been recruiting more heavily in recent years.

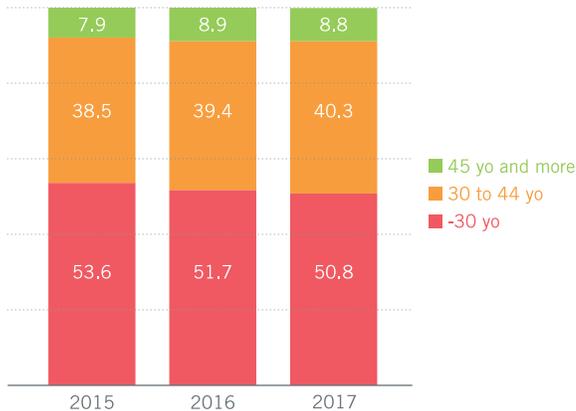
As a result, we have seen a general **shift in the recruitment pattern of permanent staff over time.**

In 2014 employees under 30 made up 54% of new recruits. **By 2017 this had fallen to less than 50.8%.** At the same time, the proportion of new recruits in their 30s has been growing.

The age profile of new hirings has therefore evolved, with a fall in the under 30s and a corresponding rise in those aged 30-44, particularly among managers, a sign of the **rising average age on recruitment.**

PERMANENT HIRINGS BY AGE (%)

Source: AFB



More women in managerial roles

Women already make up a high proportion of the banking workforce: **more than one in two bankers is a woman**, a trend that has accelerated in recent years.

51%

OF 2017
PERMANENT RECRUITS
WERE WOMEN

Source : AFB



57% of staff in banking and 47.6% of managers are women (compared to 46% in 2014). To put this in proportion, women make up 47.9% of the total active population in France and 39.9% of managerial grade professionals, according to the Observatoire Skema of women in the workplace (2017 edition).

Long-term commitments to employment

In 2015, the banks (AFB scope) signed up, in the conclusions to the Responsibility Pact, to implement the following measures:

- ▶ more than 40,000 new hirings in 2015-2017,
- ▶ an increase in work-study contracts offers,
- ▶ an increase in the proportion of women working at managerial grades, at all levels of management.

All these objectives are now achieved or exceeded:

- ▶ **54,300 hirings** over the period,
- ▶ an increase of 10% of the annual number of work-study contracts offers,
- ▶ the commitments of professional gender diversity have been honoured.

INCREASINGLY SPECIALISED CAREERS

More jobs at higher grades

The rising level of qualifications of new hires coupled with on-the-job training leading to qualifications, has driven up the **general level of qualifications** in the banking workforce. **The proportion of employees working in managerial grade roles increased from 61% in 2016 to 63% in 2017⁽¹⁾.**



**Observatoire
des métiers
de la banque**

Main tasks :

- ▶ to compile statistics on the banking workforce,
- ▶ to research and report on banking business careers and the trends affecting them.
- ▶ to carry out specific studies (main employment provisions, diversity in recruitment, professional gender equality).

For further information see:
www.observatoire-metiers-banque.fr

Careers that demand expertise

More than half of the French banking workforce works in customer relationship which also accounted for 53.7%⁽¹⁾ of new hires in 2017. While direct customer relationship jobs still account for a third of recruitments, we are also seeing an **expansion of the compliance and IT professions.**

Support services represent **20.8% of the headcount.** These cover a range of expert roles (legal, tax, audit, accounting, logistics, etc.), often in posts with managerial responsibility. **The number of jobs in these professions continues to grow:** they accounted for 21.3% of new permanent hirings in 2017.⁽¹⁾

(1) Figures on AFB scope.



TRAINING AND PROFESSIONAL INTEGRATION: A PRIORITY

Strong commitment to training

In 2016, **the banking sector devoted 4.4% of its payroll costs⁽¹⁾**, close to **€ 500 million**, on in-work training for its employees (compared to an average of 2.6% for all French companies).

Banks thus help their employees to develop their skills and evolve within the company: **more than 4 employees in 5 undertake at least one training programme each year.**⁽¹⁾

Internal promotion is very substantial: **13%** of technical level staff were promoted during 2017.⁽¹⁾

The main training and qualification providers are the Institut technique de banque (ITB), the Centre d'études supérieures de banque (CESB) and in-house courses, which allow employees to move into higher qualified roles.

Investment in qualifications and professional development of staff is a key issue for banks.

An active work-study policy

The banking profession sees professional integration as a key stage in life. One way young people can move into work is via a work-study program (alternance) which combines in-work training with schooling.

In 2017, banks initiated **6,500 such new contracts** (apprenticeship or professionalisation) mainly leading to first degrees (45.5%), master's (40%) or BTS-DUT higher education diplomas (14.5%).

They also have initiated around **1 000 international volunteering contracts** (VIE contracts) in their foreign subsidiaries.

6,500 

**NEW WORK-STUDY
CONTRACTS IN 2017**

Source : AFB



Survey available at observatoire-metiers-banque.fr

Part-time work-study programmes (alternance) are a way for companies to find staff and makes for a smooth transition into working life.

In fact, **65% of such students have a job six months after qualifying, nearly 58.4% in the firm where they did their work experience.**⁽¹⁾

Note that **a majority of these students are young women (60.7%).**⁽¹⁾

The most frequent starter job is as a relationship manager with retail customers, a job that 43.8% move into.⁽¹⁾

Supporting young people into work

The profession has also committed itself to a **plan to help young unemployed people into work in the banking sector.** Under this programme, the industry forges partnerships with local voluntary associations. Besides the individual initiatives by each bank, AFB has signed up a partnership with the **Agence pour l'Éducation par le Sport (APELS).** It allows young talents from sports clubs, who are outside the world or work, to become bankers.



(1) Figures on AFB scope.

A FAST-CHANGING EMPLOYMENT PICTURE

Impact of digital technology

As in all industries, digital technology is a fundamental issue for banks and their transformation knows a fast acceleration. Banks are IT intensive firms, both direct contributors to the digital transformation and natural leaders in the digital financial field in France.

Customer contact and advice are core values in the banking profession.

The customer relationship changes with digital technologies. Bank branches are less busy, contacts with the bank advisor

60%

**OF FRENCH PEOPLE BELIEVE
THAT THE IDEAL BANKING
MODEL IS BASED ON A
PERSONAL ADVISER**

Source: BVA study - Image of banks 2016

are multichannel. Digital banks also expand.

The branch networks scattered throughout every region of France are a key asset. The decrease in the number of branches is less pronounced in France than in the other countries of the euro zone. The number of branches has decreased by 2.9% in France between 2009 and 2017 while the decrease is 21% in the euro zone (ECB 2017).

There is now a synergy between the relationship banking model based on proximity and the development of digital banking services. In fact, the banking apps are among the most consulted by the French after the weather and social networks (Opinion Way survey – may 2016).

While it is true that day-to-day banking is seeing changes in customer behaviour, **the careers providing expertise and customer advice are growing.**

Retail banking, today, is in the process of adapting to digital technology: in its structure and working processes and hence in the careers it offers.

Among other initiatives the profession has helped create a **process leading to qualifications in a core set of digital skills available for every sector's employees.**

Artificial intelligence, a strategic issue for the sector

After working on digital's impact on the banking profession in 2014, l'Observatoire des métiers de la banque led in 2016 a study on the banking industry's needs in jobs and skills in 5-10 years' time.



Study available on website
www.observatoire-metiers-banque.fr

In December 2017, l'Observatoire published the first study on artificial intelligence «*The impact of AI on the banking profession: employment and skills*». It was carried out by the firm Athling and piloted by a joint committee.

The objectives of this study were:

- ▶ **draw up an inventory**, clarify the integration of AI in banks and put forward the positives perspectives and potential risks;
- ▶ **have a prospective analysis** on the evolutions of the banking sector and their impact on the organization of companies so to better understand the needs in jobs, skills and training and to enable institutions to incorporate these elements in their action plans;
- ▶ **highlight the existing human resources' approaches and tools** to anticipate and supervise transformations.

(1) Figures on AFB scope

18, RUE LA FAYETTE
75440 PARIS CEDEX 09
TEL: +33 1 48 00 52 52

FBF.FR

 @FBFFrance



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Head of publication :
Marie-Anne Barbat-Layani

