

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 **42,300**

HIRINGS IN 2018

Source: FBF ⁽¹⁾



It is one of the leading private sector employers in France. **The 362,800 people** working in banks member of the Fédération bancaire française (FBF), make up **1.9% of all private sector salaried staff in France**⁽¹⁾.

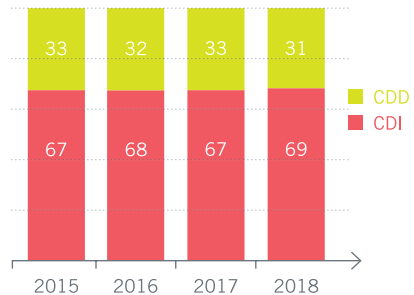
Total headcount has been declining since 2011 (less than 1% annually). In the euro zone, the number of employees in the banking sector is down of 2.7% (ECB - 2018).

Sustainable and 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 bank employees have a permanent contract of employment.

NEW HIRINGS BY TYPE OF CONTRACT (in %)

Source: AFB⁽²⁾



(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.

(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 (63% in 2018).

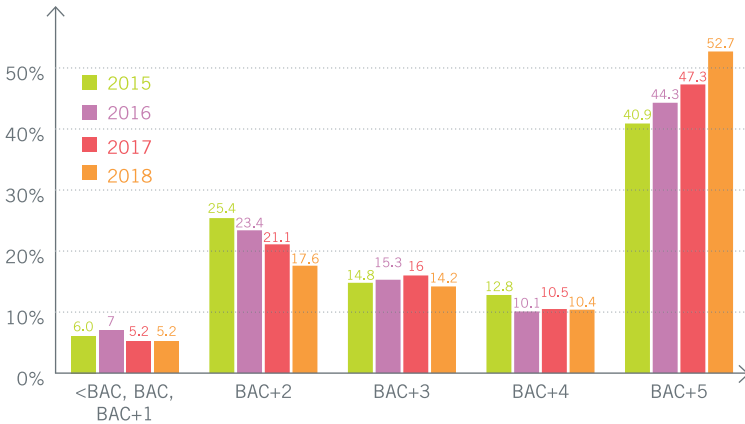
This reflects the trend in the industry toward more specialised careers and

was largely due to hirings of candidates with 5 years' higher education studies (Bac +5), up from 40.9% in 2015 to 52.7% in 2018.

Also, **two-thirds of those hired** were managerial grade: 68% in 2018 (+10% in 4 years).

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 compliance roles demand **profiles with greater experience** and these have been recruiting more heavily in recent years.

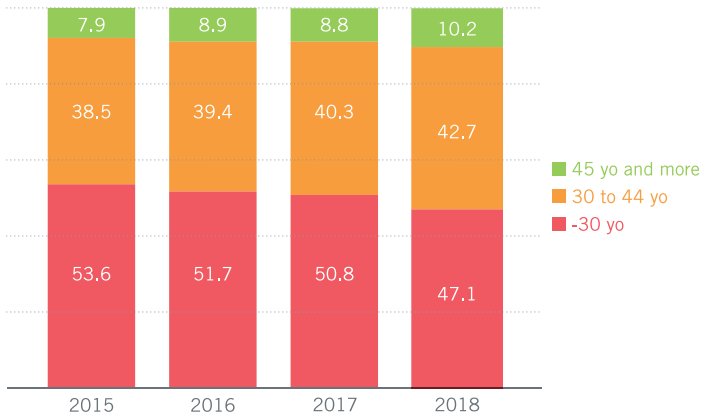
As a result, we have seen a general **shift in the recruitment pattern of permanent staff over time.**

In 2015, employees under 30 made up 54% of new recruits. **In 2018, they are hardly 47%.** At the same time, the proportion of new recruits in their 30s has been growing.

The age profile of new hirings has evolved therefore, with a fall in the under 30s and a corresponding rise in those aged 30-44 and, to a lesser degree, those aged 40 and older. This update is particularly meaningful 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.

57% of staff in banking and 48% of managers are women (+4 points since 2012). To put this in proportion, women make up 48.1% of the total active population in France and 32.3% of managerial grade professionals, according to the Observatoire Skema of women in the workplace (2019 edition).



Source: AFB

INCREASINGLY SPECIALISED CAREERS

More jobs at managerial 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 63% in 2017 and 65% in 2018⁽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 additional information see:
www.observatoire-metiers-banque.fr

Careers that demand expertise

More than half of the French banking workforce works in business jobs in 2018.

While direct customer relationship jobs still account for a third of recruitments, there is also an **expansion of the compliance and risks (10%) and IT (16%) professions.**

Support services represent 21% of the headcount. These cover a range of expert roles (legal, tax, audit, accounting, logistics, etc.), often in positions with managerial responsibility. **The number of jobs in these professions continues to grow:** they accounted for 22.8% of new permanent hirings in 2018.⁽¹⁾

(1) Figures on AFB scope.



TRAINING AND PROFESSIONAL INTEGRATION: A PRIORITY

Strong commitment to training

In 2017, **the banking sector devoted 4.4% of its payroll costs⁽¹⁾**, close to **500 million euros**, on in-work training for its employees (compared to an average of 2.7% for all French companies).

Banks thus help their employees to develop their skills and evolve within the company: **more than 9 employees in 10 undertake at least one training programme each year.**⁽¹⁾

Internal promotion is very substantial: **12.6%** of technical level staff were promoted during 2018.⁽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 industry sees professional integration as a key stage in life. A way young people can move into work is via a work-study program (alternance) which combines in-work training with schooling.

In 2018, banks initiated **6,200 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.

6,200



**NEW WORK-STUDY
CONTRACTS IN 2018**

Source : AFB

At the end of 2018, 8,200 work-study participants were working in the banks.

Banks also signed **7,000 internship agreements in 2018**, in order to receive young students during their training.



(1) Figures on AFB scope.

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 pursued a partnership with the **Agence pour l'Éducation par le Sport (APELS)**. It allows young talents from sports clubs, who are outside the world of work, to become bankers.

In partnership with **the Medef, the Wintegreat association and the CFPB**, the banking sector contributes to the **work inclusion of high-skilled refugees**: in 2018, more than 20 refugees have followed a program leading to a professionalisation contract.

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

82%

**OF FRENCH PEOPLE BELIEVE
THE IDEAL BANK MUST HAVE
PHYSICAL BANK AGENCIES
AND DIGITAL SERVICES**

Source: Ifop survey - The French, their bank, their expectations - December 2018

less busy, contacts with the bank advisor 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 (-4.7% between 2009 and 2018) than in the euro zone (-26.4%) (ECB - 2018).

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.**

Among other initiatives the profession has helped to 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

To better adapt their service offers to the needs of their customers, banks invest in **new cognitive technologies**. In this area, the **Artificial Intelligence (AI)** proposes a new application scope: better customer knowledge (KYC), financial advices, cybersecurity, data protection... Those evolutions are strategic in terms of skills and jobs as revealed by the Observatoire des métiers de la banque studies.

In December 2017, the Observatoire published the first study on artificial



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

intelligence «*The impact of AI on the banking profession: employment and skills*». It was carried out by the consulting firm Athling and piloted by a joint committee. Of course, there are many projects and experiments that in time will affect all bank departments and all levels of the hierarchy. However, this study updated in 2018 shows that AI is currently only scratching the surface and that there is time to establish a position with respect to the far-reaching transformations it will produce.

In December 2018, the Observatoire released a new survey : «*New skills, job transformations by 2025 : succeed in change management*». The survey identifies the **key trends having direct impacts on banks' flagship activities**. As well as reviewing the skills needed in each type of activity, it suggests **HR support tools** to be implemented.

(1) Figures on AFB scope

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July 2019

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