

MÉMO
N° 05

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 growth careers?**

- ▶ **What challenges does the sector face?**



BANKING, AN ACTIVE EMPLOYER

A dynamic player in the jobs market

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

over **41,000**

HIRINGS IN 2016
FBF



It is one of the leading private sector employers in France. **The 370,300 people** working in banks belonging to the Fédération bancaire française (FBF), make up **2.3% of all private sector salaried staff in France**.

Total headcount has been declining since 2011, with a fall of 0.3% in 2016 (following a 0.6% fall in 2015)⁽¹⁾.

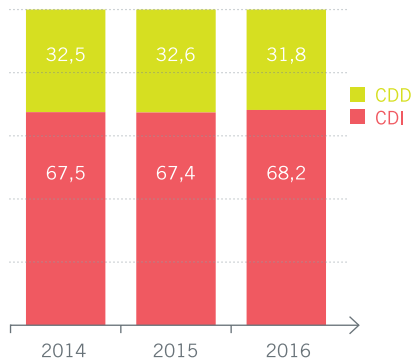
(1) The FBF scope includes all companies in the banking sector: retail banks belonging to the AFB and also cooperative and mutual banks.

Long-term highly qualified jobs

The sector offers long-term jobs: **2 out of 3 hirings are on permanent contracts (CDI)** in banks compared to a national average for all sectors of 2 in 10. Nearly 99% of employees at banks have a permanent contract of employment.

NEW HIRINGS BY TYPE OF CONTRACT

Source : AFB⁽²⁾



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

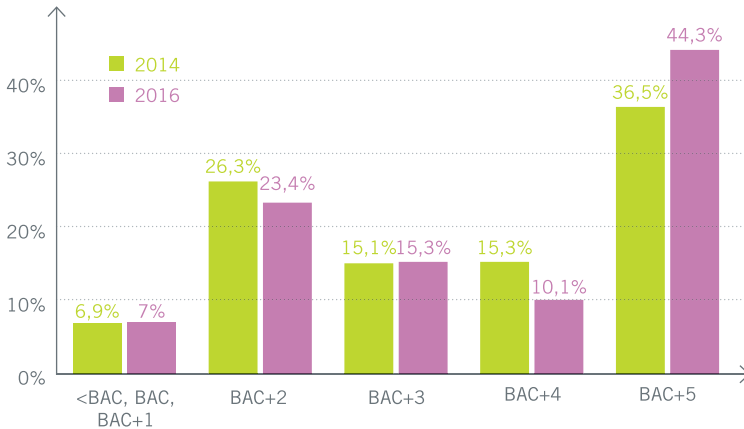
Jobs in the sector are **increasingly highly qualified**. Young people with post-grad qualifications account for more than half of new recruits (54% in 2016).

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 36% in 2014 to 44% in 2016.

Also, **two thirds of those hired** were managerial grade: 60.8% in 2016 (58% in 2014).

PERMANENT HIRINGS BY QUALIFICATIONS



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.

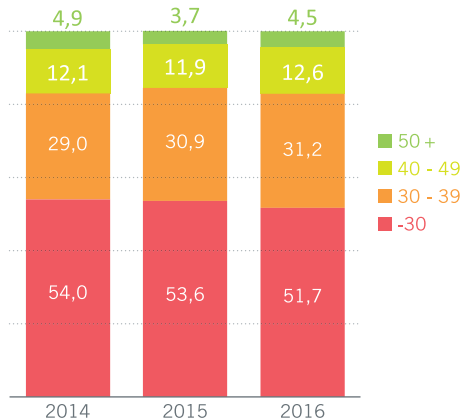
As a result, we have seen a general **shift in the recruitment pattern of permanent staff over time.**

In 2014 employees under 30 made up 54% of new recruits. **By 2016 this had fallen to less than 52%.** At the same time, the proportion of new recruits in their 30s has been growing.

The age profile of employees 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**, which is now 31.5 for new hirings on permanent contracts.

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.



Nearly half of managerial staff in banking 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 (alternance) contracts,
- ▶ an increase in the proportion of women working at managerial grades,
- ▶ the creation of a professional qualification attesting digital skills.

All these objectives are now close to being achieved.

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. **In 2016, the proportion of employees working in managerial grade roles increased from 54.9% to 61.1%⁽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, gender equality in the workplace).

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

Careers that demand expertise

Half the French banking workforce works in customer facing roles which also accounted for 58%⁽¹⁾ of new hires in 2016. While direct customer facing jobs still account for two-thirds of recruitments, we are also seeing an **expansion of the compliance and IT professions.**

Support services represent **20.6% 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 19% of new hirings in 2016.⁽¹⁾

(1) Figures on AFB scope.



TRAINING AND TRANSITION TO WORK: A PRIORITY

Strong commitment to training

The banking sector spends 4.3% of its payroll costs (2015 figures) on in-work training for its employees, compared to an average 2.7% for all French companies.⁽¹⁾

Banks thus help their employees to develop their skills and evolve within the company: **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 2016.⁽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 banking staff **is a key issue** in the working life of employees

An active work/study policy

The banking profession sees the transition into work as a key stage in life. One way young people can move into work is via a programme of part-time work/part-time study (alternance) which combines in-work training with schooling.

In 2016, banks initiated **6,300 new such contracts** (apprenticeships, professionalisation or VIE contracts) mainly leading to first degrees (42%), master's (40.5%) or BTS-DUT higher education diplomas (17%).

6,300



NEW WORK/STUDY CONTRACTS IN 2016

Source : AFB



Survey available at www.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, **72% of such students have a job six months after qualifying, nearly 58% in the firm where they did their work experience.**⁽¹⁾

Note that **a majority of these students are young women (56.7%).**⁽¹⁾

The most frequent starter job is as a relationship manager with retail customers, a job that 36% 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 already signed up to two partnerships, with the **Agence pour l'Éducation par le Sport (APELS)** and the **Fédération des entreprises d'insertion (FIE).**



(1) Figures on AFB scope.

A FAST-CHANGING EMPLOYMENT PICTURE

Impact of digital technology

As in all industries, digital technology is a vital issue for banks. Banks are IT intensive firms, both direct contributors to the digital transformation and natural leaders in digital financial skills in France.

Customer contact and advice are core values in the banking profession. The branch networks scattered throughout every region of France are a key asset. **The traditional model of local branches with close human relations complements the ongoing development of digital banking services.**

56%

OF FRENCH PEOPLE BELIEVE BANKING IS BASED ON A PERSONAL ADVISER

Source : BVA study - Image of banks 2016

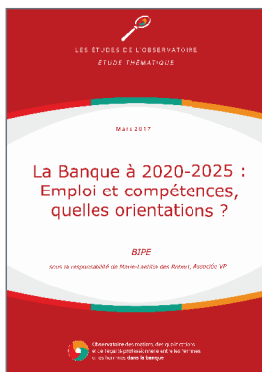
While it is true that day-to-day banking is seeing changes in customer behaviour, **the careers providing expertise and customer advice are growing.**

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** (see conclusions of the Responsibility Pact - AFB scope).

What changes are on the way?

The AFB's Observatoire des métiers de la banque (banking careers observatory) has commissioned BIPE to **produce a study of the banking industry's needs** in jobs and skills in 5-10 years' time and to try and identify the different factors driving change in the industry.

The report found that the outlook will vary based on how a number of external factors affect a range of scenarios: technological developments, competition, new entrants to the sector, regulation, etc.. But outcomes will also depend on the combination of scenarios and strategic responses of each bank. All of which will in turn be influenced by another critical factor: timing.



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

Regarding employment trends in the industry the study emphasises that the numbers retiring from the profession and turnover within the sector may be enough to absorb the expected adaptation of the workforce to changed scenarios. In 2016, one third of those leaving the profession were taking retirement.⁽¹⁾

The most important changes to consider will therefore be the **qualitative impacts of change**, with upskilling or changes in the **skill profiles** required to transform the banking model, for instance enhancing employees' capacity to analyse, synthesise, work in teams and work independently.

The careers which continue to grow are: corporate client advisors, professional client advisors, HNW client advisors, etc.

(1) Figures on AFB scope