



European Foundation for the
Improvement of Living and
Working Conditions



Banking sector: Working conditions and job quality

'Work plays a significant role in people's lives, in the functioning of companies and in society at large. But what is work? How can we describe it? Is it changing, and if so, is it for better or for worse? Is it fulfilling the numerous and at times conflicting expectations we have of it? How can we take steps to improve work for the well-being of all?'

Eurofound, *Fifth European Working Conditions Survey: Overview report, 2012*



This report gives an overview of working conditions, job quality, workers' health and job sustainability in the banking sector (NACE 64).¹ It is based mostly on the fifth European Working Conditions Survey (EWCS), which gathers data on working conditions and the quality of work across 34 European countries. Additional information on the structural characteristics of the sector is derived from Eurostat data. The fifth EWCS contains responses from 620 workers in this sector. The report compares aspects of work in the sector with the EU28 as a whole.

Structural characteristics

In 2010, 3,920,100 European workers worked in the banking sector, 1.8% of the EU28 workforce (1.9% in 2008 and 1.8% in 2012). Employment in the sector decreased by 5.7% between 2008 and 2010. It remained fairly stable (a slight decrease of 0.2%) between 2010 and 2012 (Eurostat, 2013).

Countries where the banking sector is a relatively large employer are Malta (where it employs 3.2% of the workforce), Ireland (3.3%), Cyprus (3.9%) and Luxembourg (9.9%). The sector has relatively little prominence in Bulgaria (employing 1.2% of workers), Portugal (1.2%), Sweden (1.2%) and Romania (1.1%) (Eurostat, 2013). A relatively large proportion of workers in banking (18%) work in large workplaces (250 or more employees), compared to 12% of

workers in the EU28. The percentage of workers in small and medium-sized workplaces (10–249 employees), at 52%, is also above the EU28 average of 46%. The proportion in micro-workplaces (1–9 employees), on the other hand, is lower in the sector (31%) than in the EU28 as a whole (42%).

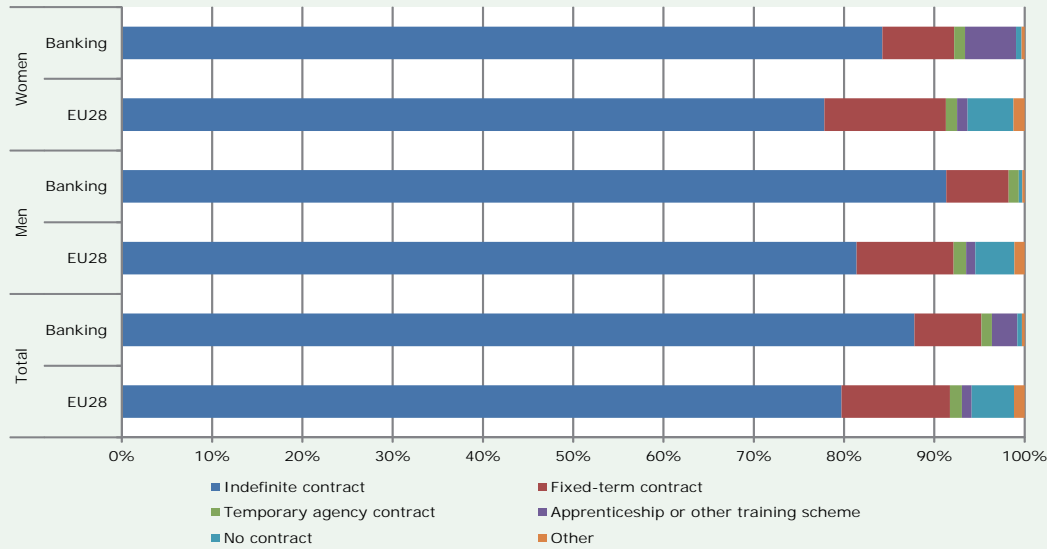
The sector is gender balanced, with 52% of workers being women and 48% being men, and employs a relatively large proportion of young people: 43% of workers in the sector are between 25 and 30 years old, compared to 36% in the EU28 (Eurostat, 2013). Self-employment is less prevalent in banking, with 3% being self-employed with employees and 7% self-employed without employees, compared to 4% and 11% respectively in the EU28. Indefinite contracts and apprenticeship schemes are more prevalent in

Banking in a nutshell

- Workers tend to be young and healthy
- Changes in hours worked following the economic crisis were less common than in the EU28, while salary increases were more common
- Male workers in large workplaces are very likely to express a preference for reducing their current working hours
- Levels of employer-paid training are above average
- Job quality in banking is higher than in the EU28, especially in relation to career prospects
- Job strain is an issue for young workers in micro-workplaces and SMEs and for women in large workplaces

¹ Nomenclature statistique des activités économiques dans la Communauté européenne (statistical classification of economic activities in the European Community).

Figure 1: Employment status, by gender



banking than in the EU28 as a whole, while fixed-term work is less frequent in the sector (Figure 1).

Working conditions

Changes since the crisis

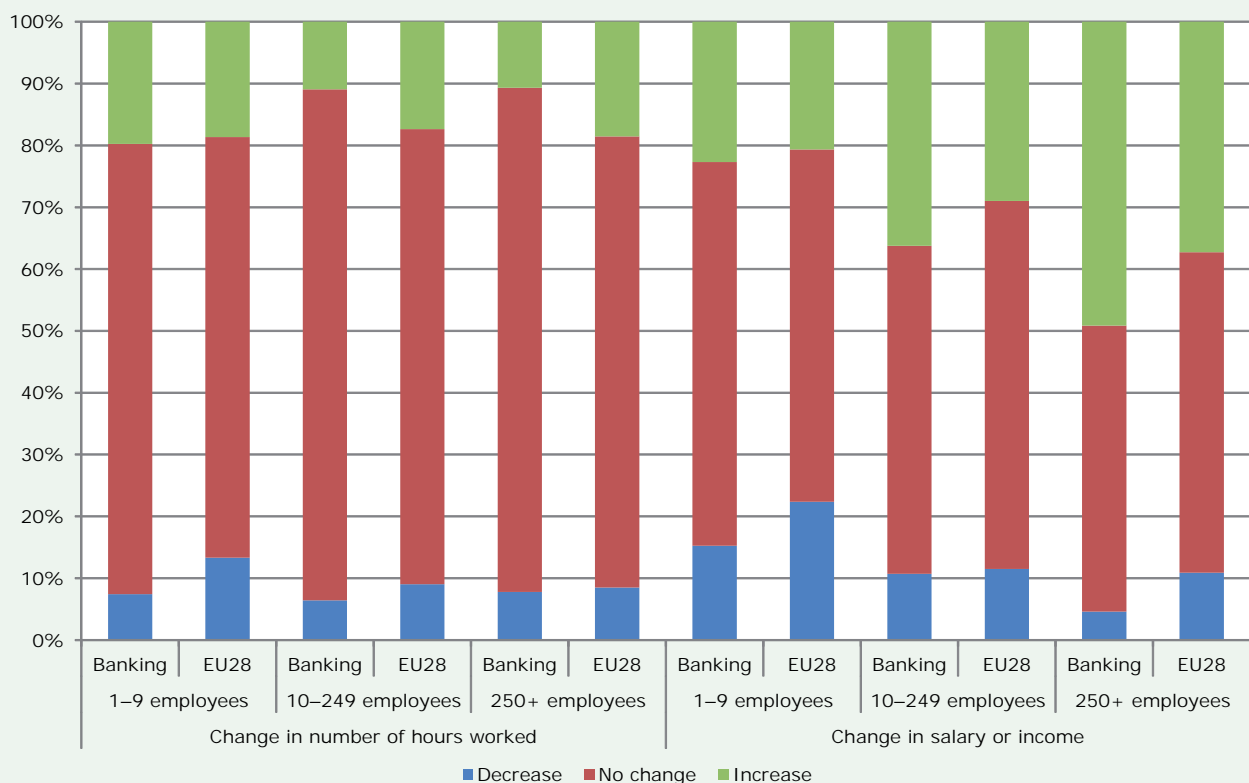
In the year prior to the survey, the banking sector saw fewer changes in hours worked than the EU28 as a whole (Figure 2). Fewer workers reported having had their working hours cut compared with the EU28 average. On the other hand, increases in hours were also less common in the sector, with the exception of micro-workplaces, where the average was very similar to the EU28 as a whole. A lower proportion of

workers in the sector reported wage decreases than in the EU28. Salary increases were more frequent in the banking sector than in the EU28.

Both in the banking sector and in the EU28 in general, workers more frequently reported changes in salary or income than changes in hours worked in the year prior to the survey. Employees in micro-workplaces were more frequently affected by wage cuts than those in small, medium-sized and large workplaces, while those in larger workplaces reported salary increases more frequently.

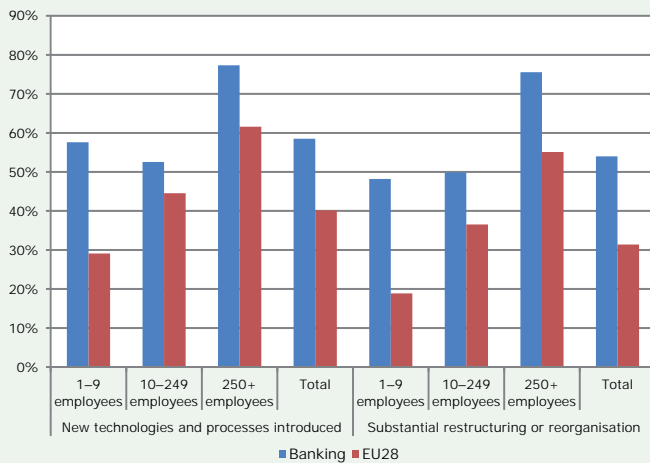
Workers in banking were significantly more affected by restructuring and the introduction of new

Figure 2: Percentage of employees reporting changes in number of hours worked and salary or income in past year, by workplace size



technologies than the EU28 average (Figure 3). The banking sector more or less follows the same pattern as the EU28 – the share of employees reporting restructuring or reorganisation, or the introduction of new production processes and technologies increases with workplace size. The main deviation from the European pattern is the high level of both restructuring and introduction of new technologies in micro-workplaces in the sector.

Figure 3: Restructuring and introduction of new technologies in past three years, by workplace size



Working time and work-life balance

Workers in banking work on average 39 hours per week, compared to 38 hours in the EU28. As in the EU28, men in the banking sector tend to work more hours than women, independent of workplace size

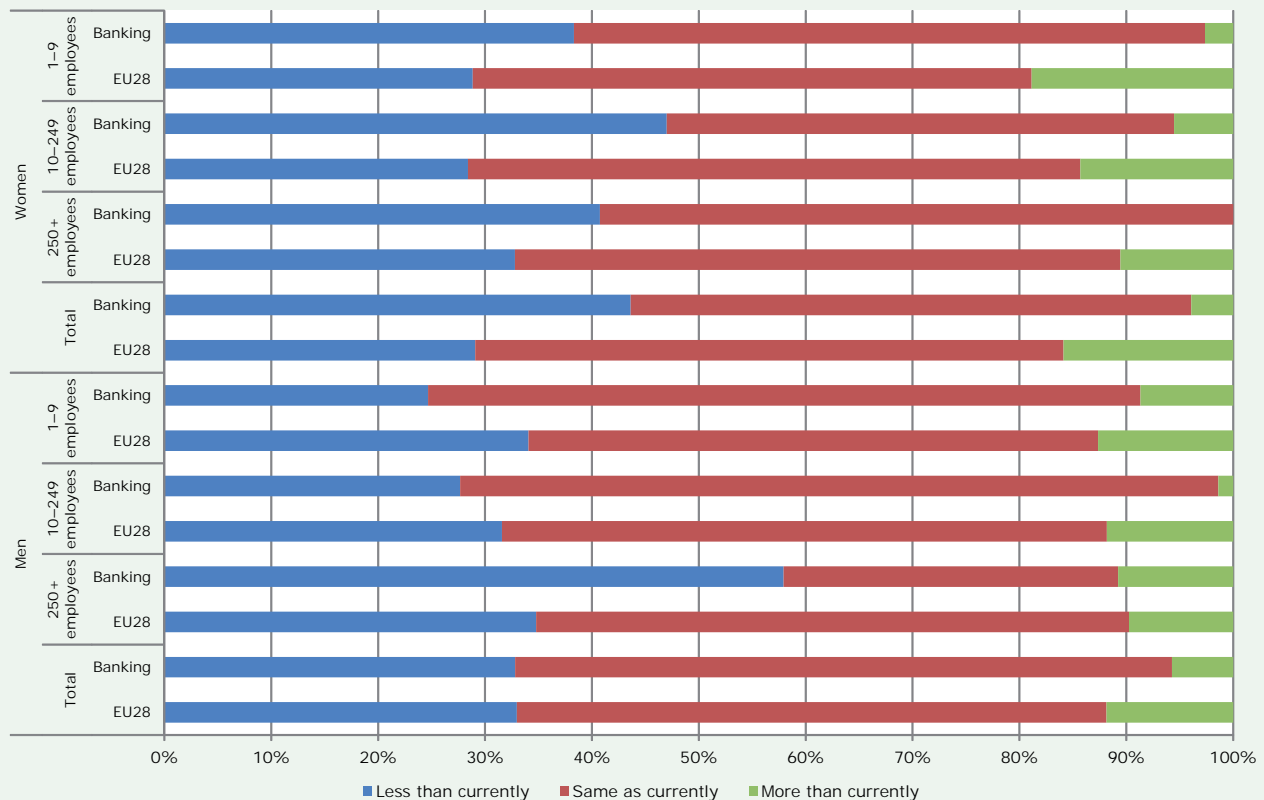
(Figure 4). When looking at micro-workplaces and SMEs, it seems that women in the banking sector tend to work more hours than the EU28 average and men slightly fewer hours. In large workplaces, the difference between women in banking and in the EU28 is negligible whereas men in banking work more hours than men in the EU28 as a whole.

Figure 4: Average working hours, by gender and workplace size



When looking at working time preferences, women in banking more frequently than women in the EU28 as a whole say that they would prefer to work fewer hours – and are less likely to say they would prefer more working hours (Figure 5). Men in the sector, on the other hand, tend to report more satisfaction with their current working time, with the clear exception of men in large workplaces, who show a much greater

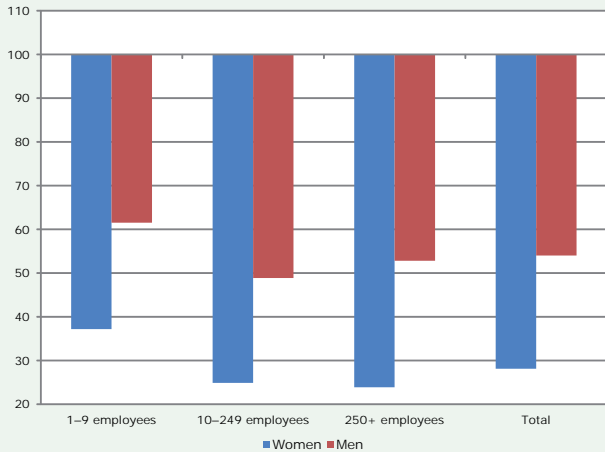
Figure 5: Working time preferences, by gender and workplace size



preference than workers in smaller workplaces in the sector and compared to EU28 averages for reducing their working hours.

Figure 6 shows that working atypical hours (weekends, evenings or nights) is much less prevalent in banking than in the EU28 as a whole, especially for women. There are no big differences in terms of workplace size in the number of atypical hours worked.

Figure 6: Index of working atypical hours (EU28=100), by gender and workplace size



Overall, women in banking report more regular working times (working the same hours each day and the same days each week) than the average worker in the EU28 (Figure 7). Men, on the other hand, report slightly less regular hours than the EU28 average. However, there are substantial differences across workplace sizes, with workers in SMEs having more regular hours than the average, and male workers in large workplaces having decidedly less regular working times.

Figure 7: Index of regularity of working time, by gender and workplace size

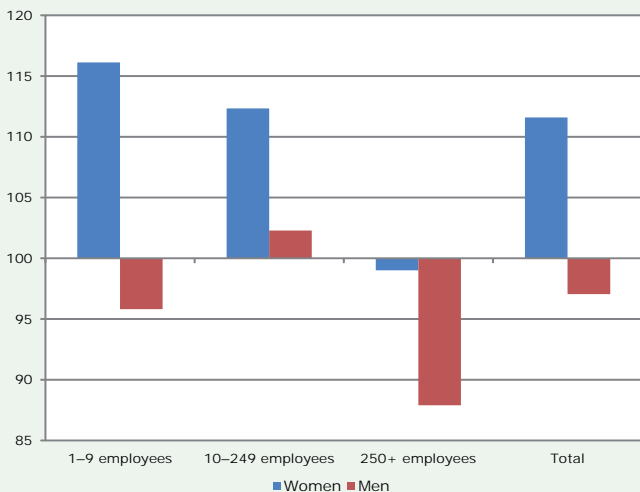
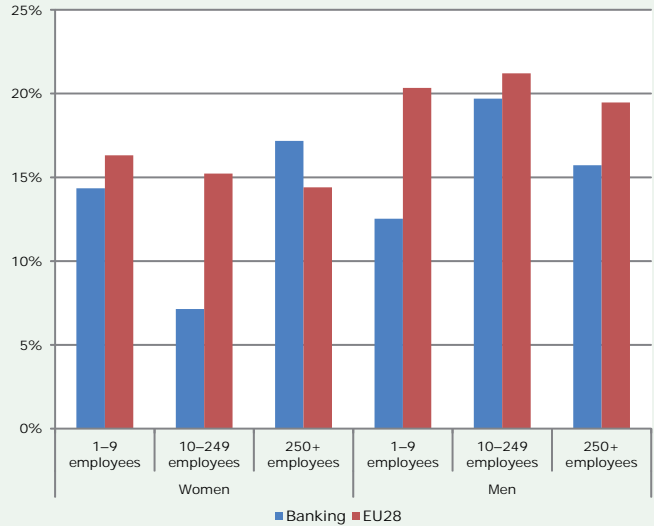


Figure 8 shows that work-life balance (the fit between working hours and family or social commitments) is slightly better for those working in the banking sector than in the EU28 as a whole. In banking, as in the EU28, more men report a poor work-life balance than women. The exception is women in large workplaces in banking, more of whom report a poorer work-life balance than men in the banking sector and workers in all sectors in large workplaces in the EU28 as a whole.

Figure 8: Poor work-life balance, by gender and workplace size

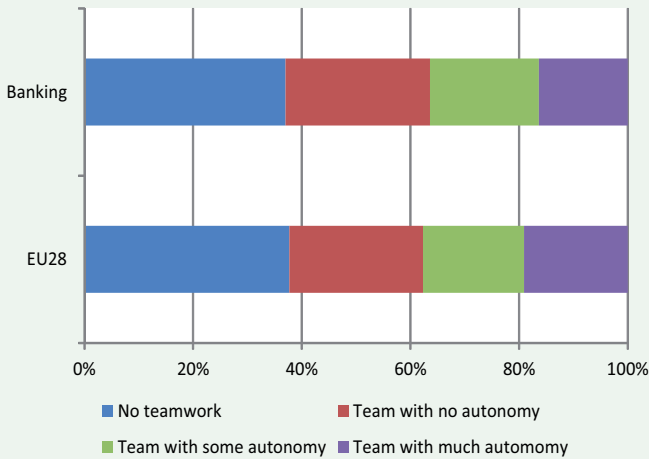


Work organisation

Teamwork

Teamwork has been proposed as an alternative to work organisation models based on high levels of labour division. As teamwork reflects a variety of practices, it can also assume a variety of forms. Different types of teamwork can be identified using the EWCS by looking at the level of autonomy within the teams. Teamwork is equally prevalent in the banking sector (63%) as in the EU28 as a whole (62%) (Figure 9). However, in the banking sector, teamwork with no or some autonomy is slightly more prevalent than in the EU28, and teamwork with much autonomy is less prevalent.

Figure 9: Teamwork and team autonomy



Task rotation

Task rotation is also an important feature of work organisation. Depending on how it is implemented, task rotation may require different skills from the worker (multiskilling) or may not (fixed task rotation) and is either controlled by management or by the workers themselves (autonomous). Task rotation has been shown to be beneficial for workers' well-being, and autonomous multiskilling systems in particular are associated with higher worker motivation as well as better company performance. The percentage of banking workers working in a task rotation system (50%) is slightly higher than that in the EU28 (47%).

A relatively large proportion of those in banking work in a management-controlled multiskilling system (30%, compared to 27% in the EU28).

However, in the banking sector, as in the EU28, task rotation and multiskilling are more common in large workplaces than in smaller ones (Figure 10).

Female bosses

The percentage of workers with a female boss (33%) is slightly higher than the EU28 average (28%), but falls well below the proportion of women in the sectors (52%). While 45% of women in the sector report having a female boss, this is the case for only 21% of men (compared to 48% and 12% respectively in the EU28).

Skills and training

Overall, the majority of workers in banking say that their present skills correspond well with their duties (Figure 11). Banking workers are more likely to report being 'under-skilled' than workers in the EU28 as a whole and slightly less likely to report being 'over-skilled'. As in the EU28, younger workers report being under-skilled more frequently than older workers. It is also worth mentioning that a larger proportion of workers aged between 35 and 49 in banking report being over-skilled than workers of the same age in the EU28 as a whole.

Figure 10: Prevalence of task rotation, by workplace size

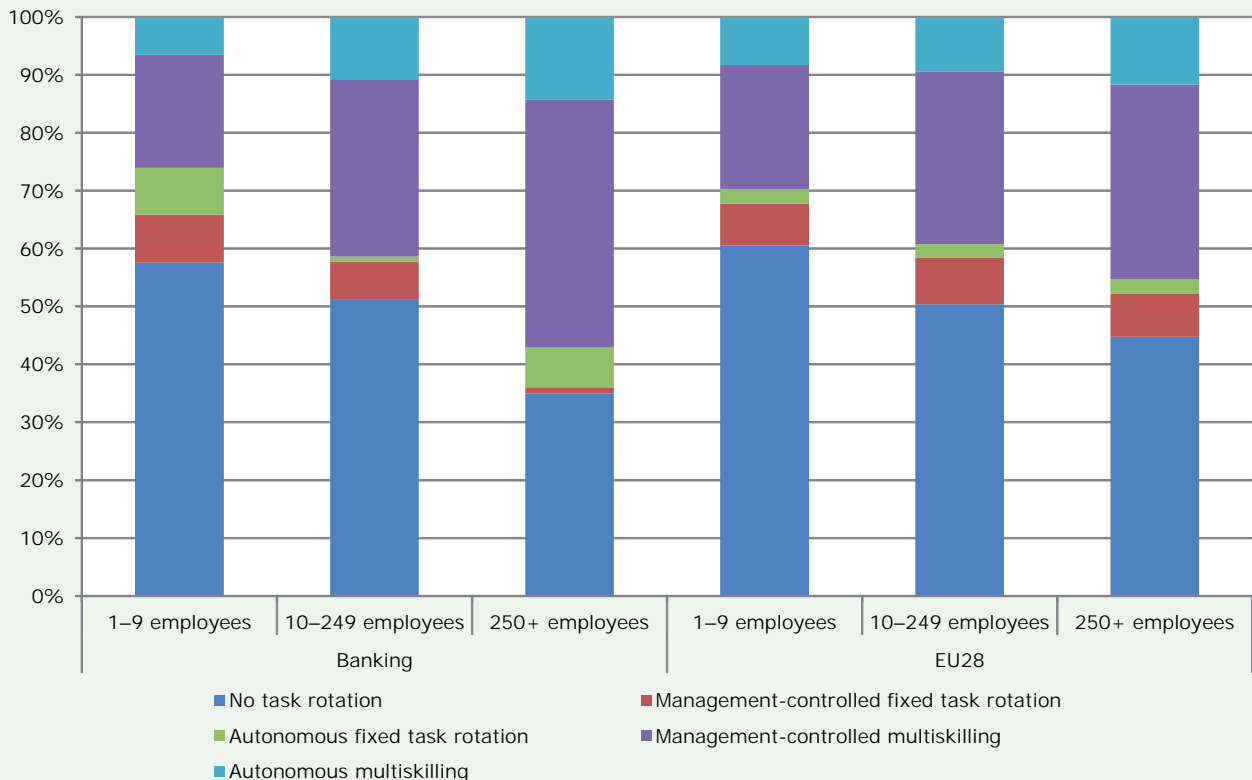
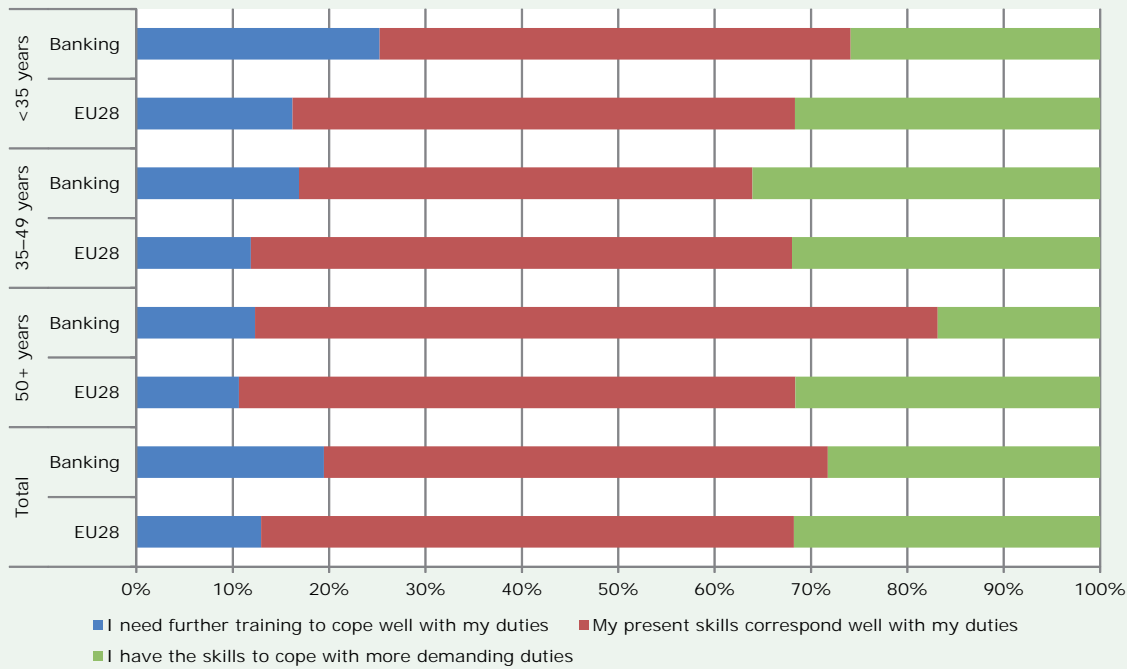
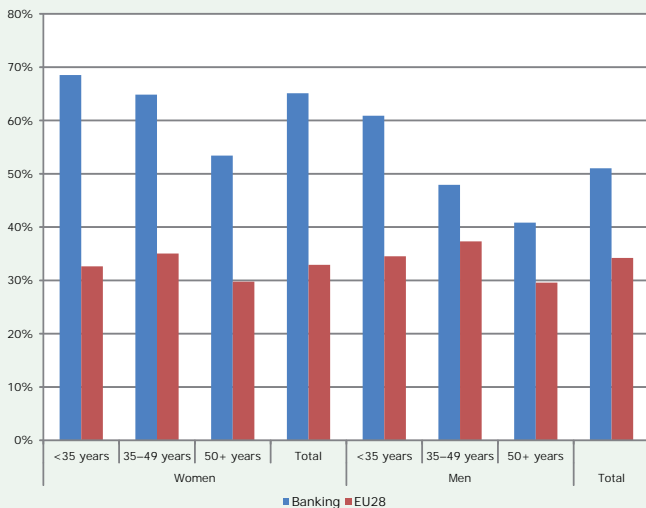


Figure 11: Match between skills and tasks, by age



The percentage of workers in banking who say they have received training is much higher than in the EU28 for both women and men (Figure 12). Women in the sector more frequently report having received paid training than men. The proportion of workers who report having received training is also higher for young workers than for older ones.

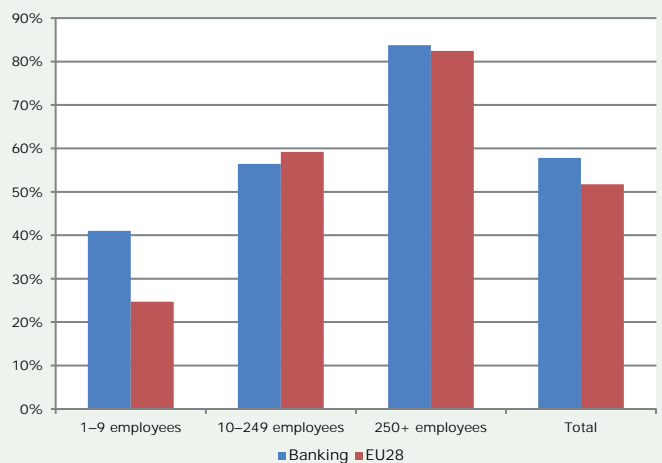
Figure 12: Employer-paid training, by gender and age



Employee representation

The EWCS contains limited information on formal employee representation. It asks whether an employee representative is present in the workplace and whether workers have raised an issue with an employee representative in the past year. Figure 13 shows the combined results of these questions (an employee representative has been considered to be available if they are present in the workplace or when an issue was raised).

Figure 13: Availability of an employee representative at the workplace, by workplace size



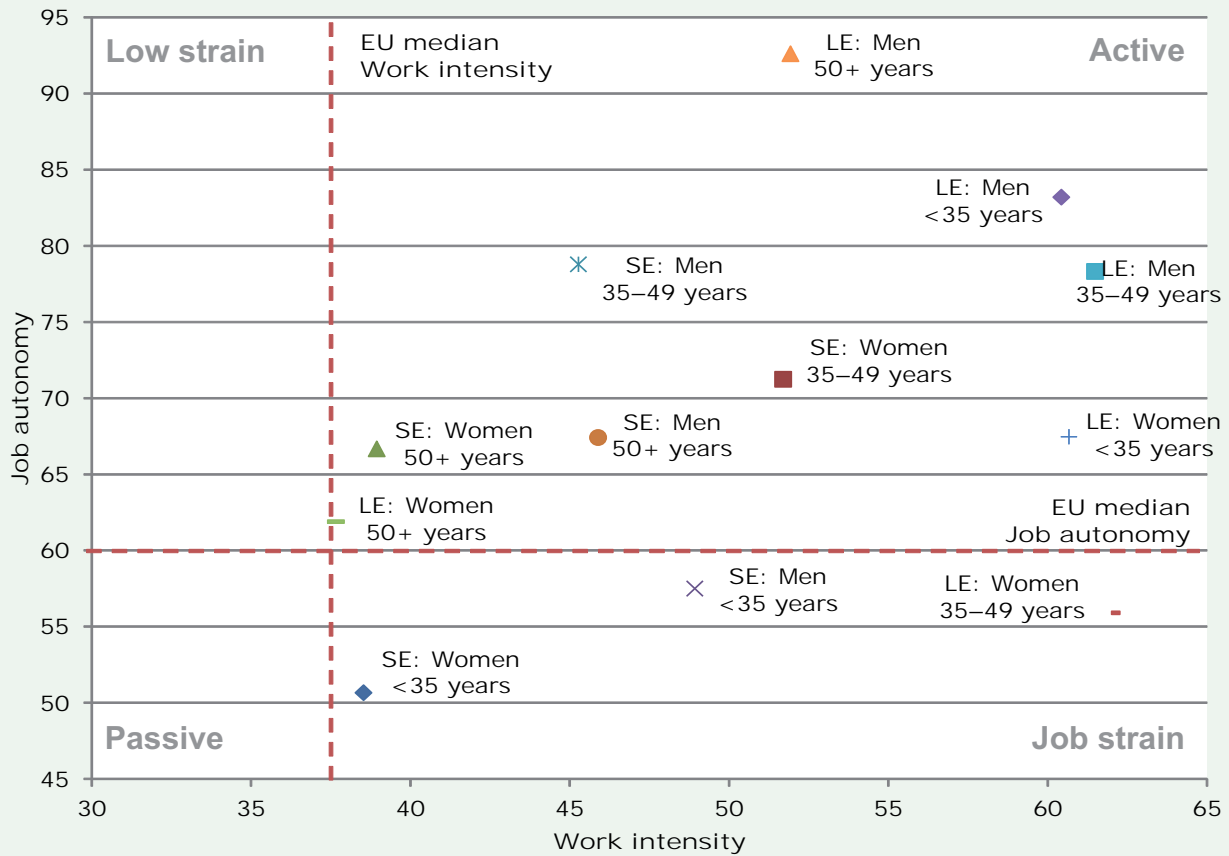
58% of employees in banking reported that an employee representative was available, compared to 52% of workers in the EU28. The biggest difference between the sector and the EU28 is found in micro-workplaces, where 41% of workers in banking report having an employee representative in their workplace, compared to only 25% in the EU28.

Psychosocial and physical environment

Job autonomy and work intensity

The psychosocial and physical environment has a substantial impact on workers' well-being. According to the job demand and control model of the American sociologist Karasek (1979), workers are more likely to suffer from work-related stress when they are faced with high levels of demand while being limited in the control they have over the way in which they carry out their job.

Figure 14: Distribution of groups of workers by average levels of job autonomy and work intensity



Note: LE = large enterprise; SE = micro, small or medium-sized enterprise

Figure 14 shows the likelihood of workers in banking suffering from work-related stress. Groups of workers are plotted along two axes: job autonomy and work intensity.

The averages for most groups of workers in the banking sector can be found in the top right quadrant (men of all ages in large workplaces and men over 35 in smaller workplaces, as well as women over 35 in small workplaces, and women under 35 and over 50 in large workplaces – Figure 14). These workers tend to be in ‘active’ jobs with high levels of work intensity and high levels of job autonomy. Although their jobs can be very demanding, they have enough control over the way they do their job and can develop coping strategies through active learning.

Men and women under 35 in smaller workplaces as well as women between 35 and 49 in large workplaces are in the bottom right quadrant. This is the most problematic category, characterised by ‘job strain’. These jobs have high levels of intensity and low levels of autonomy, putting workers at risk of unhealthy stress levels and consequently a range of stress-related illnesses such as cardiovascular disease and mental health problems.

Due to the relatively high levels of work intensity in the banking sector, none of the averages of the different groups are to be found in the two left quadrants. Jobs in the bottom left quadrant are so-called ‘passive’ jobs, characterised by low levels of intensity and low levels of autonomy. The risk of stress is low in these jobs, but there are risks of frustration and low

motivation as the jobs are not challenging, and workers have little control over what they do and how they do it. The top left quadrant contains so-called ‘low-strain’ jobs, characterised by low levels of work intensity and high levels of job autonomy. Again, these jobs pose a low risk of stress, but workers are less likely to suffer from frustration and loss of motivation than those in passive jobs.

Social environment

A good social environment is characterised by the existence of social support and the absence of abuse at work. Social support can help workers deal with high levels of work intensity. Workers in banking are very close to the EU28 average on this indicator (Figure 15).

Figure 15: Index of good social environment (EU28 = 100), by gender and workplace size

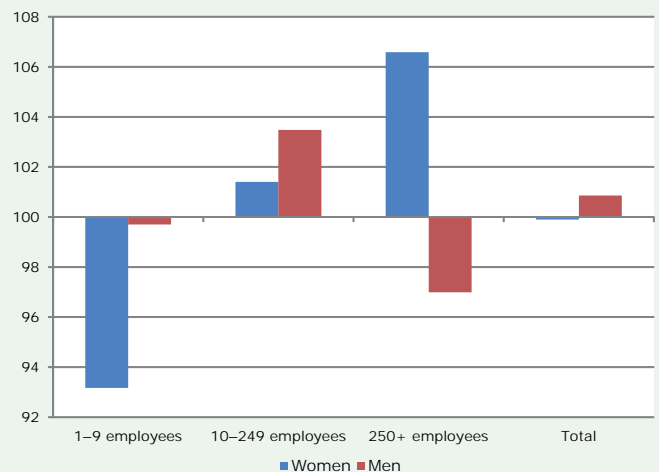
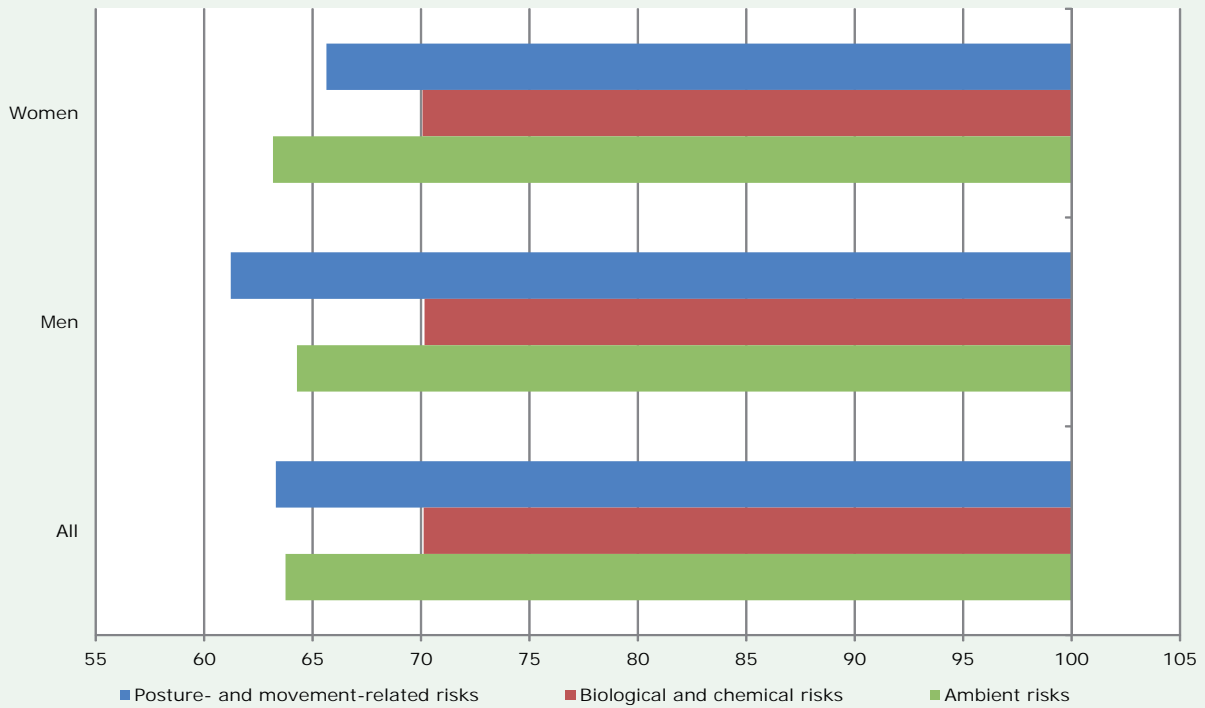


Figure 16: Indices of exposure to physical risks (EU28 = 100), by gender



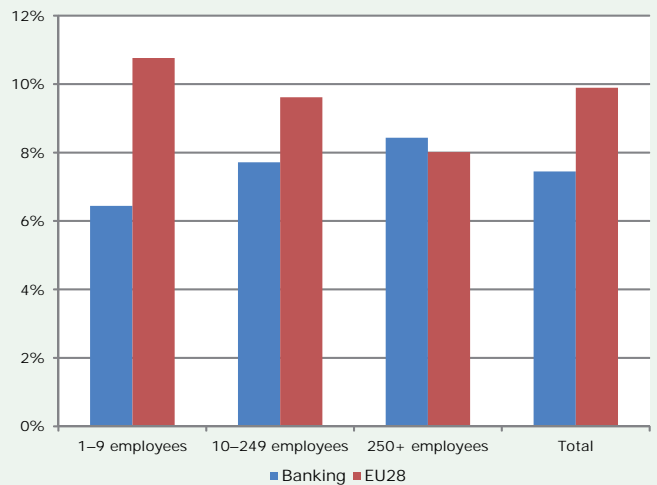
However, women working in micro-workplaces report a less favourable social environment than the EU28 average. On the other hand, women in large workplaces in the sector report higher-than-average scores of good social environment.

Physical risks

Workers in the banking sector report much lower levels of exposure to physical risks than the EU28 averages. Men and women in the sector do not differ much in this regard.

Just 8% of workers in the banking sector report they were not very well or not at all well informed about workplace risks, compared to 10% in the EU28 (Figure 17). Contrary to the EU28 pattern, the percentage of workers who are not sufficiently informed increases with workplace size in the sector: in large workplaces, the proportion of workers reporting not being properly informed about health and safety risks is similar to that of workers in the EU28 as a whole.

Figure 17: Not very well or not at all well informed about health and safety risks at work, by workplace size

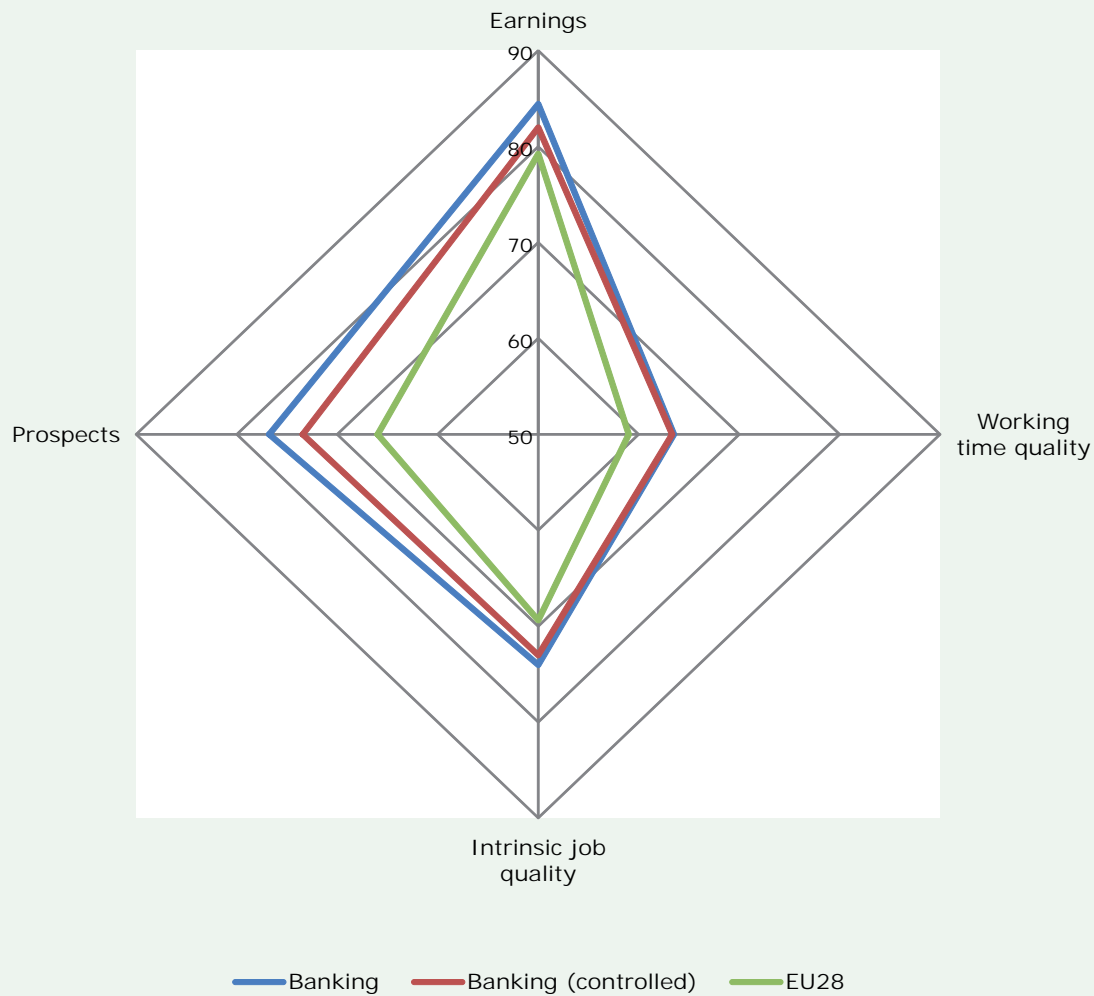


Job quality

In the report *Trends in job quality in Europe*, the authors constructed four indices of job quality: earnings, prospects, intrinsic job quality and working time quality. The indices are built using job characteristics that are unambiguously associated with workers' well-being.

Figure 18 summarises job quality in the banking sector. It shows the average score for the sector on each of the indicators, with and without controlling for the structural characteristics of the sector's workers (age, gender, workplace size, education level and country), and for the EU28.

Figure 18: Job quality in the banking sector compared with the EU28



Note: Scores on all four indicators range from 0 to 100

The banking sector ranks above the EU28 on all four indicators, both before and after controlling for structural differences. However, the differences for prospects and earnings do decrease somewhat when controlling for the composition of the workforce in terms of gender, age, education, workplace size and country. This implies that although the prospects and earnings in banking are good, this is partially the case because workers are highly educated, workplaces are relatively large and the banking sector is relatively prominent in more affluent countries.

Health and sustainability of work

Working conditions can have both a positive and a negative impact on the health of workers and on the sustainability of their jobs.

Figure 19 shows that banking compares favourably with the EU28, with smaller proportions of workers reporting absenteeism due to work accidents, poor self-reported health, their health being at risk because of work and a negative effect of work on health. In addition, compared to the EU28 average, a larger proportion of workers report that they will be able to do their job at the age of 60. The sector does not differ much from the EU28 average with regard to the proportion of workers who report having worked when sick (presenteeism). Apart from the difference in reported levels of absenteeism due to work accidents, all differences between banking and the other sectors remain statistically significant when controlling for the composition of the sector in terms of gender, age, education, workplace size and country.

Figure 19: Health and sustainability of work

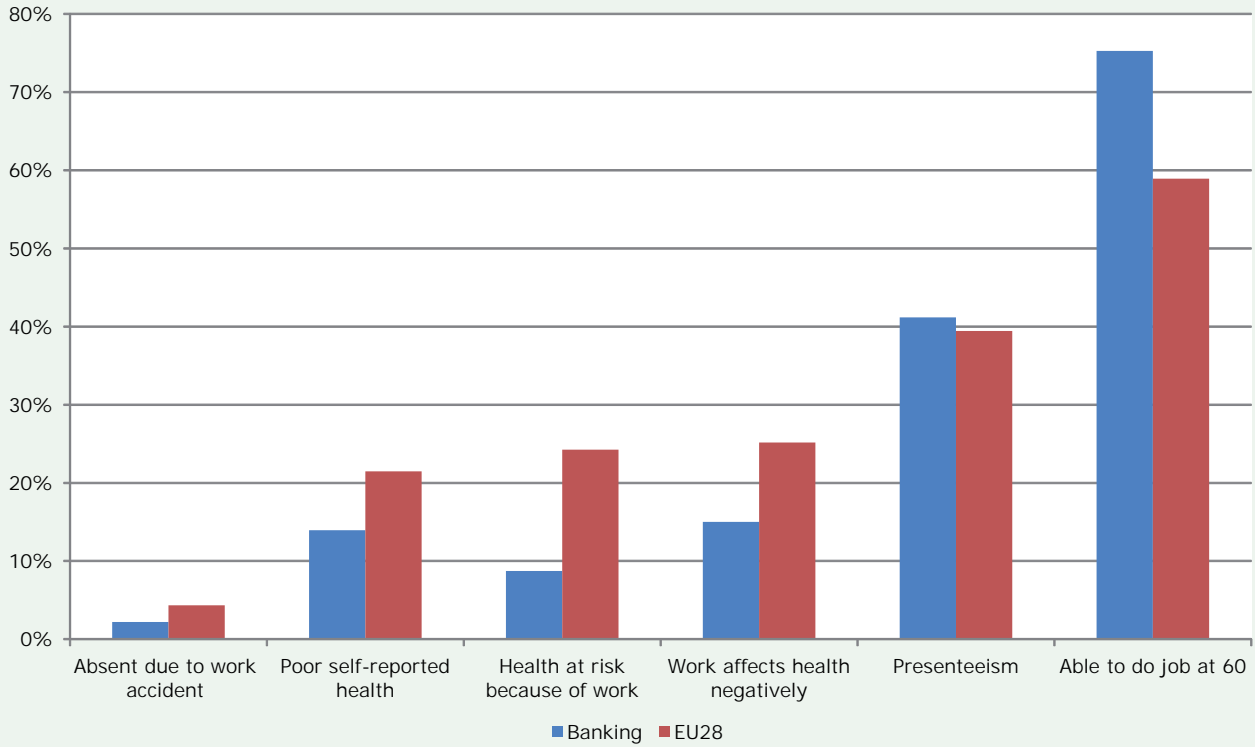
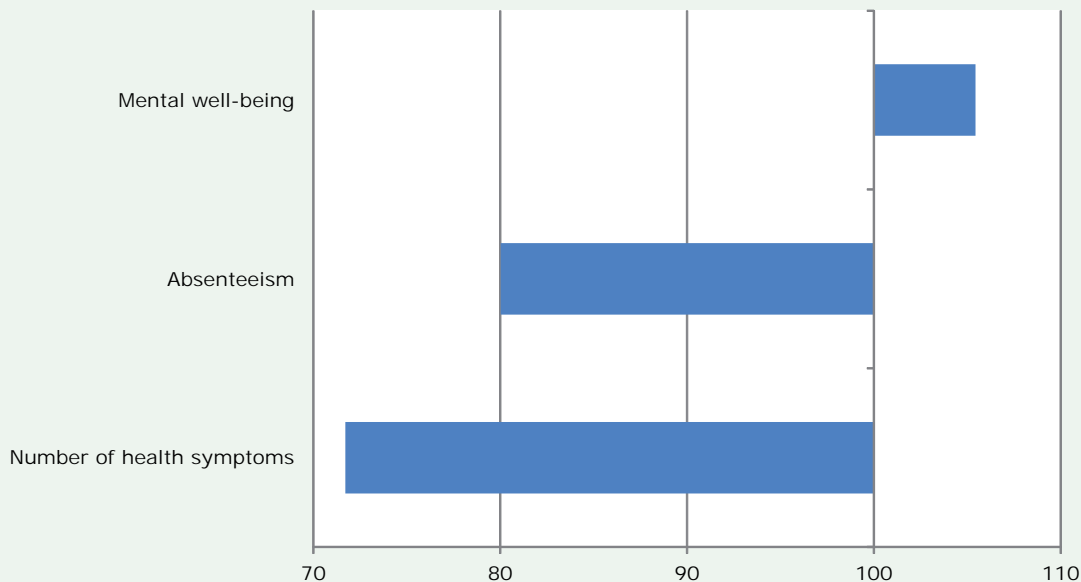


Figure 20 again shows a favourable picture of the banking sector, with mental well-being scores slightly above the EU28 average, and absenteeism and the reported number of health problems being considerably lower. Even though the number of reported health problems increases substantially with age, differences in health symptoms and absenteeism are still observed when controlling for gender, age, education, workplace size and country.

It is important to keep in mind that the impact of work on health is a very gradual process that can take a long time and cannot be fully captured in a cross-sectional survey. The results in this section are likely to underestimate the often negative health effects that physically and psychologically strenuous working conditions can have.

Figure 20: Indices of health symptoms, mental well-being and absenteeism (EU28 = 100)



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European Working Conditions Survey

Eurofound developed its European Working Conditions Survey (EWCS) in 1990 in order to provide high-quality information on living and working conditions in Europe. Five waves of the survey have been carried out to date, enabling long-term trends to be observed and analysed.

The EWCS interviews both employees and self-employed people on key issues related to their work and employment. Fieldwork for the fifth EWCS took place from January to June 2010, with almost 44,000 workers interviewed in their homes in 34 countries – EU28, Norway, the former Yugoslav Republic of Macedonia, Turkey, Albania, Montenegro and Kosovo. The 5th EWCS was implemented by Gallup Europe, who worked within a strong quality assurance framework to ensure the highest possible standards in all data collection and editing processes.

The questionnaire covered issues such as precarious employment, leadership styles and worker participation as well as the general job context, working time, work organisation, pay, work-related health risks, cognitive and psychosocial factors, work-life balance and access to training. A number of questions were included to capture the impact of the economic downturn on working conditions.

For more information on the EWCS, see <http://www.eurofound.europa.eu/surveys/ewcs/index.htm>

Sectoral analysis

The report *Working conditions and job quality: Comparing sectors in Europe* and the series of 33 sectoral information sheets aim to capture the diversity prevalent across sectors in Europe in terms of working conditions and job quality. The report pinpoints trends across sectors in areas such as working time and work-life balance, work organisation, skills and training, employee representation and the psychosocial and physical environment. It identifies sectors that score particularly well or particularly poorly in terms of job quality and sheds light on differences between sectors in terms of health and well-being.

For more information, see <http://www.eurofound.europa.eu/surveys/ewcs/2010/sectorprofiles.htm>

Further information

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