



European Foundation for the
Improvement of Living and
Working Conditions



Financial services 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 financial services sector, covering the subsectors of banking (NACE 64), insurance (NACE 65), and activities auxiliary to banking and insurance (NACE 66).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 the banking sector, 415 in the insurance sector and 110 in auxiliary activities to the banking and insurance sectors: a total of 1,145 workers in all. This report compares aspects of work in the sector with the EU28 as a whole, and examines differences across the three subsectors.

Structural characteristics

In 2010, 6,501,900 European workers worked in financial services (banking: 3,920,100; insurance: 1,317,600; activities auxiliary to banking and insurance: 1,264,200), which represents 3% of the EU28 workforce (Eurostat, 2013). The impact of the crisis varied across the subsectors. Between 2008 and 2010, while employment dramatically decreased in banking (-5.7%), it increased considerably in insurance (9.5%) and slightly increased in auxiliary activities to banking and insurance (0.6%). During the 2010–2012 period, the banking and insurance subsectors showed a slight decrease (-0.2%

and -0.3%) while auxiliary activities increased markedly (3.7%).

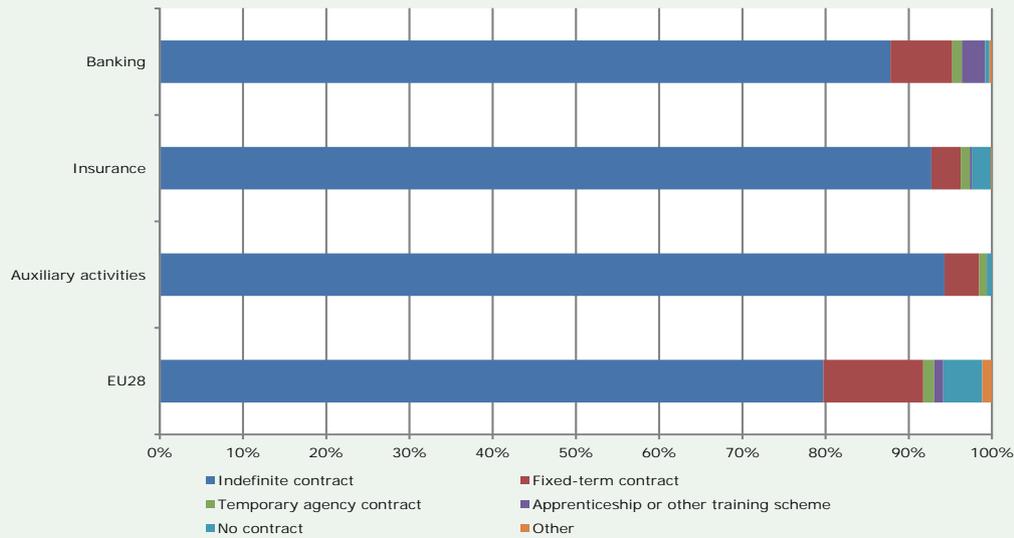
A relatively large proportion of workers in financial services (17%) work in large workplaces (250+ employees), compared to 12% of workers in the EU28. The difference is most pronounced in auxiliary activities (19%) and banking (18%), and slightly less so in insurance (17%). Auxiliary activities to banking and insurance is the only male-dominated subsector with 55% of workers being men. Banking (48% men) and insurance (47% men) are female-dominated. Workers in financial services tend to be relatively young: 23% of workers in banking, 24% of workers in insurance, and 25% of workers in auxiliary activities are over 50, compared to 27% in the EU28 (Eurostat, 2013). Self-employment with employees is somewhat prevalent in insurance (5%) and auxiliary activities to banking and insurance (9%); 10% of workers in insurance are self-employed without employees as are 17% in auxiliary activities, compared to 4% and 11% respectively in the EU28 as a whole for both

Financial services in a nutshell

- Indefinite contracts are more prevalent than in the EU28
- In banking and auxiliary activities, salary increases were more common than in the EU28
- Indexes of atypical hours and poor work–life balance are low for the whole sector
- Exposure to physical risks is much lower in financial services than in the EU28
- Scores for earnings, working time and intrinsic job quality indicators are above the EU28 average for all subsectors

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

Figure 1: Employment status, by subsector



kinds of self-employment. Self-employment is fairly rare in banking (3% with and 7% without employees). Figure 1 shows that among employees, indefinite contracts are much more prevalent in all financial services subsectors than in the EU28. In banking, apprenticeship and training schemes are also much more frequent than in the EU28.

Compared to the EU28 average (24%), part-time work is less prevalent in all financial services subsectors. Only 10% of workers in auxiliary activities work 34 hours or less, while the percentage for banking is 13% and that for the insurance subsector 19%.

Working conditions

Changes since the crisis

Figure 2 shows that workers in the auxiliary activities and insurance subsectors were more likely to have

seen an increase in working hours than workers in the EU28 as a whole, while banking workers were more likely to have maintained the same number of hours worked.

Both in financial services 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. Workers in auxiliary activities and banking were more likely to have had a salary increase than the EU28 average. In the banking and insurance subsectors, a lower percentage of workers reported a decrease in salary (Figure 2).

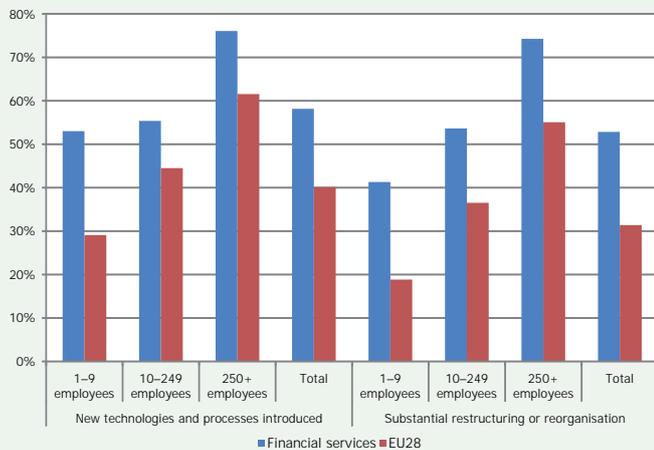
Workers in financial services were more affected by restructuring and the introduction of new technologies in the past three years than the EU28 average (Figure 3). The financial services sector follows the

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



same pattern as the EU28 – the proportion of employees reporting restructuring or reorganisation, or the introduction of new production processes and technologies increases with workplace size – but, financial services shows higher levels of reported changes across all workplace sizes.

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

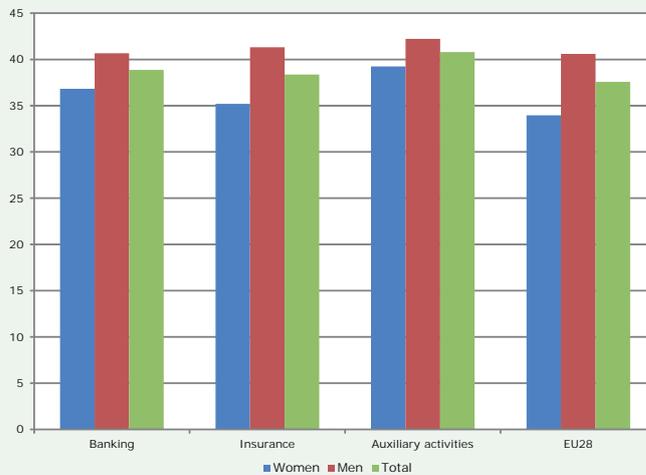


Working time and work-life balance

Workers in financial services on average work 39 hours per week, close to the EU28 average of 38 hours per week. As in the EU28, men in financial services tend to work more hours than women, independent of the subsector (Figure 4). Among men, workers in auxiliary activities to banking and insurance

work the most hours (42). For women, all financial services subsectors report a higher number of average hours worked than the EU28 average for female workers.

Figure 4: Average working hours, by subsector and gender



Workers in all financial services subsectors more frequently would prefer to work fewer hours than currently compared to workers in the EU28 as a whole, and they less often indicate that they would like to work more hours (Figure 5). The differences between workers' preferences in financial services and the EU28 average are especially large for women and large workplaces.

Figure 5: Working time preference, by subsector, gender and workplace size

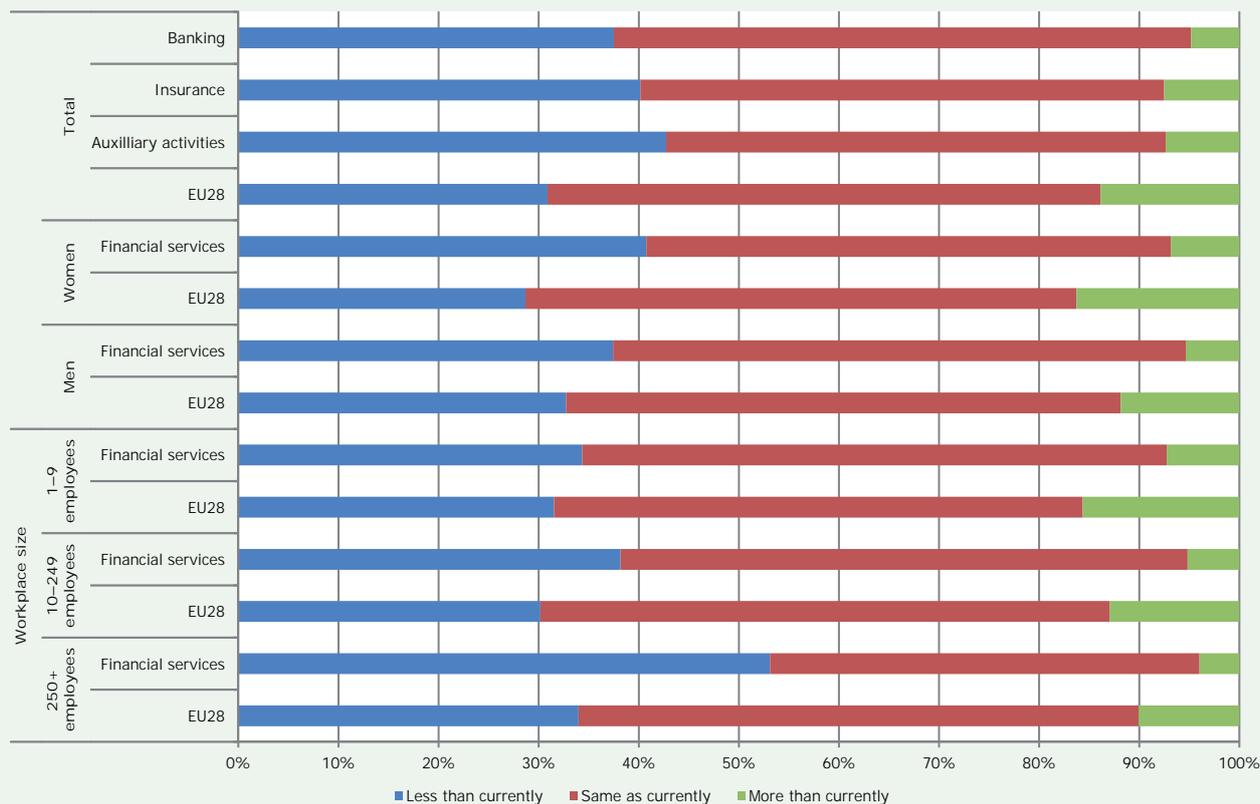
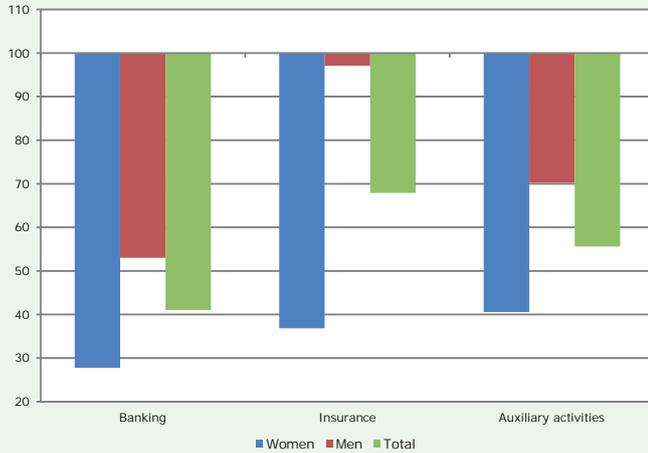


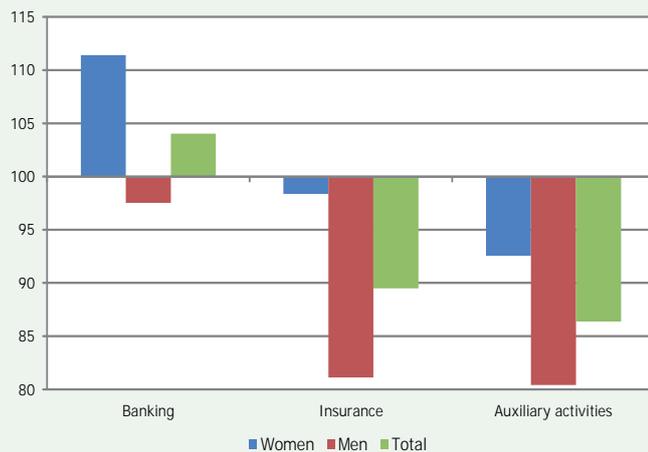
Figure 6 shows that working atypical hours (weekends, evenings or nights) is much less prevalent in financial services than in the EU28 as a whole, except for men in insurance services who are close to the EU28 average. Overall, women less frequently report atypical hours than men.

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



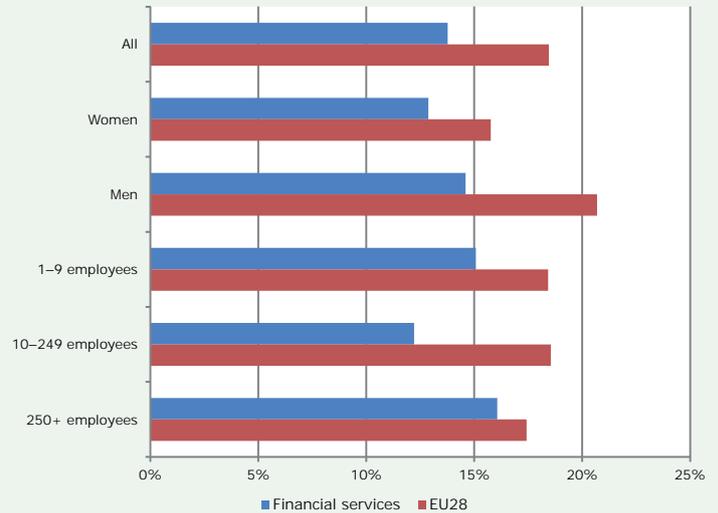
Although working times in financial services do not tend to be atypical, they are often less regular (working the same hours every day or the same days every week) than in the EU28 (Figure 7). This applies especially to men in the insurance and auxiliary activities subsectors. Women in banking, however, report more regular working times than the EU28 average.

Figure 7: Index of regularity of working time (EU28=100), by subsector and gender



Reported levels of work–life balance (the fit between working hours and family or social commitments) are above average for financial services, where only 14% report a poor work–life balance (Figure 8), compared to 18% in the EU28. Poor work–life balance is least prevalent among women (13%) and in SMEs (12%).

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

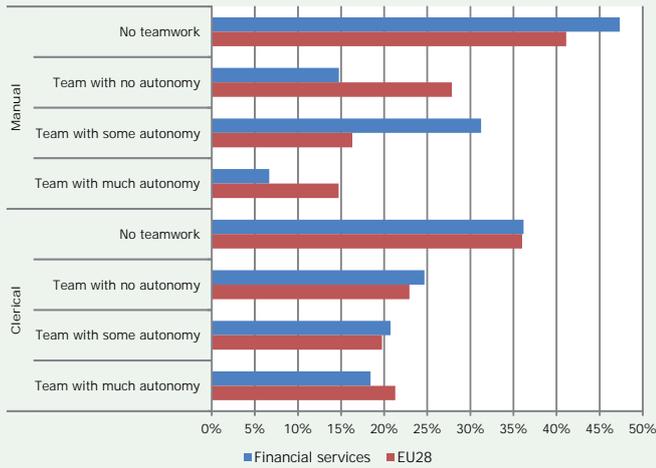


Work organisation

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 teams. Teamwork is slightly more common in financial services (64%) than in the EU28 (62%). There are only small differences between this sector and the EU28 average for teamwork. The percentage of clerical workers in teams with no or some autonomy is around the EU 28 average in financial services; however, the percentage of workers in teams with much autonomy is slightly lower in financial services (18%) than in the EU28 (21%) (Figure 9).

Figure 9: Teamwork and team autonomy, by occupational category



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 workers in financial services working in a task rotation system does not differ much from the EU28 (Figure 10), nor do patterns differ across workplace sizes. However, in micro-workplaces and SMEs, the prevalence of task rotation is slightly higher than in the EU28 as a whole, and management-controlled fixed task rotation is less prevalent in large workplaces than in similar EU28 workplaces.

Female bosses

Gender roles represent another dimension of task division. The percentage of workers who report that they have a female boss is 34% in banking, 20% in insurance and 19% in auxiliary activities. The average for the EU28 is 28%.

Skills and training

Skill mismatch is more prevalent in financial services than in the EU28 workforce as a whole (Figure 11).

In financial services, workers of all ages are more likely to be 'under-skilled' than similar workers in the EU28. Young workers in the sector, however, report being 'over-skilled' in a slightly larger proportion than in the EU28, while older workers in financial services are much less likely to be 'over-skilled' than in the EU28.

Figure 10: Prevalence of task rotation, by workplace size

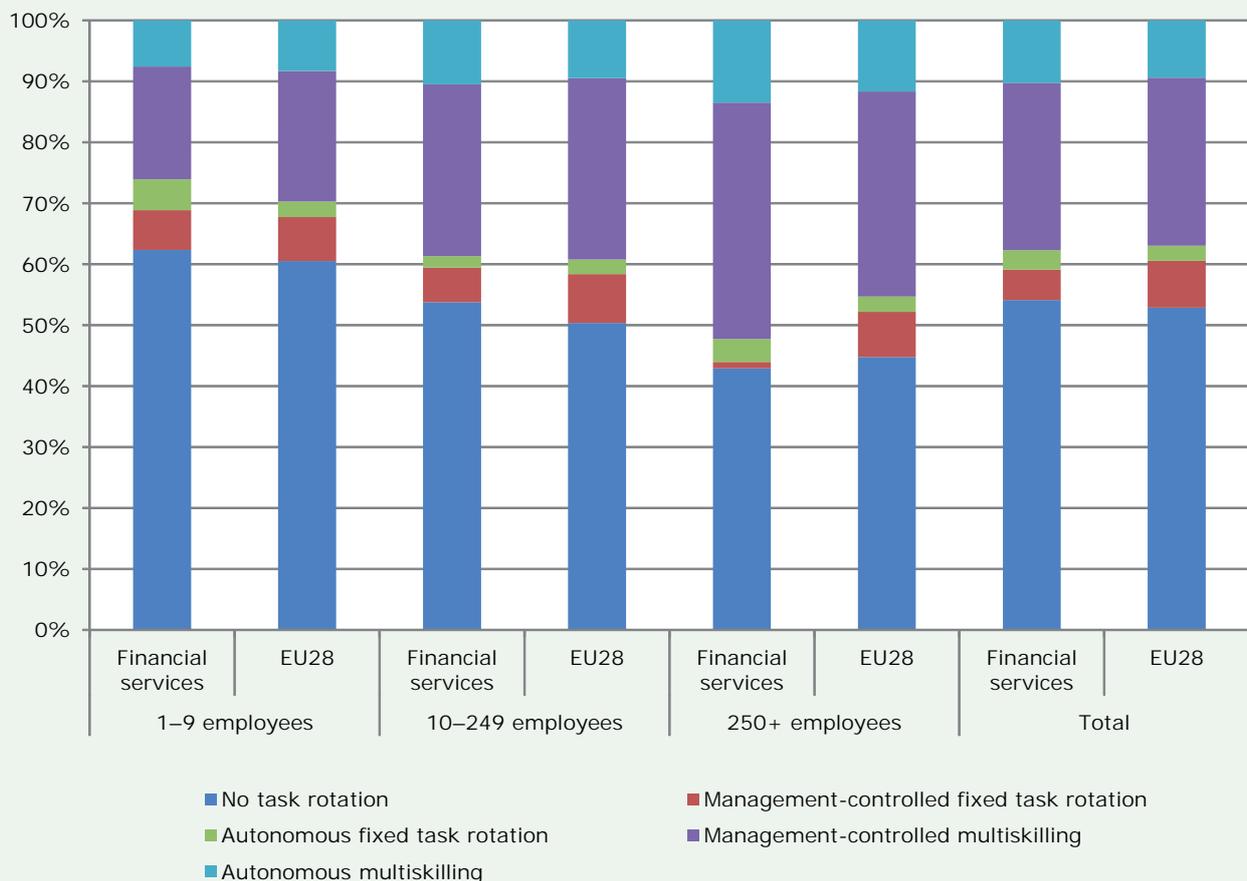
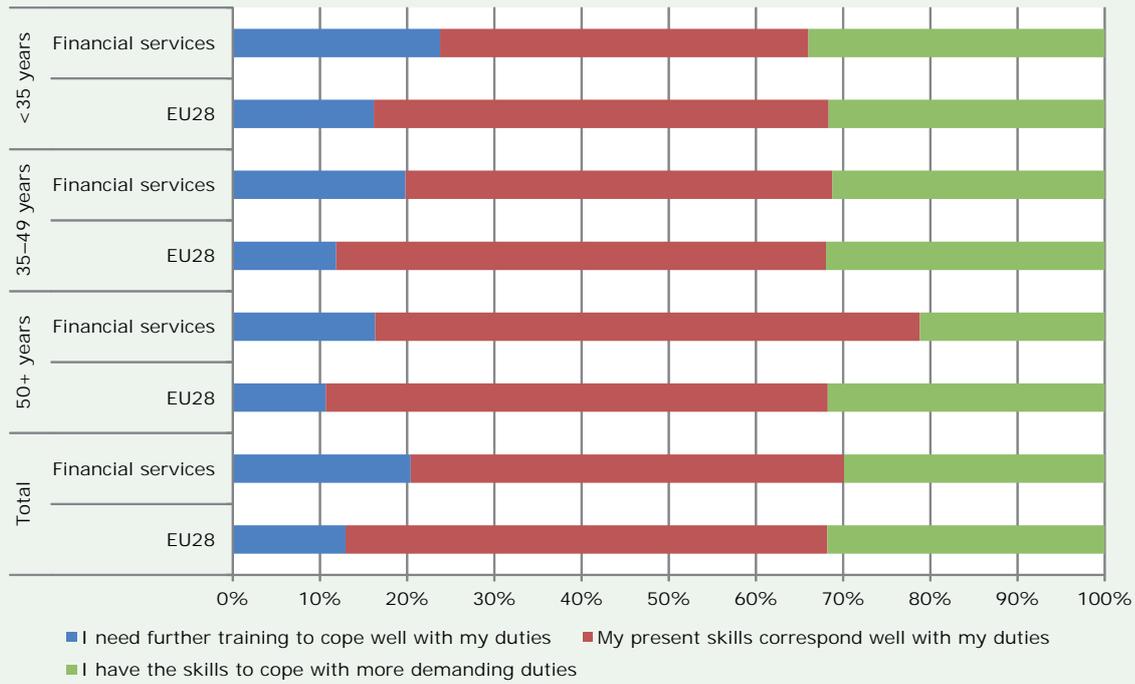
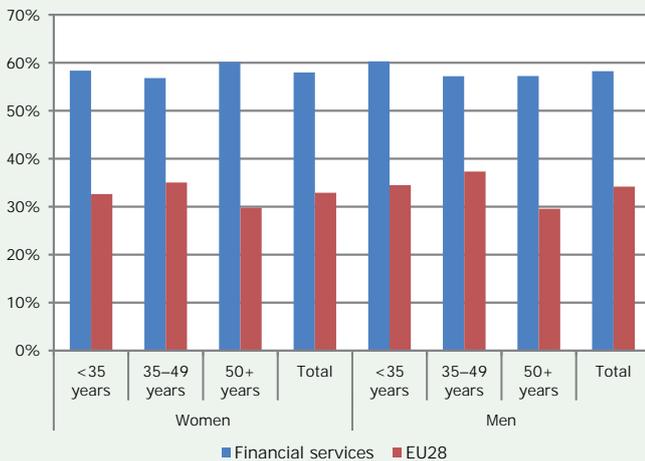


Figure 11: Match between skills and tasks, by age



Overall, the percentage of workers in financial services who say they have received training is much higher than in the EU28 (58% compared to 34% in the EU28%). Within the sector, there are no big differences between men and women or among age groups (Figure 12).

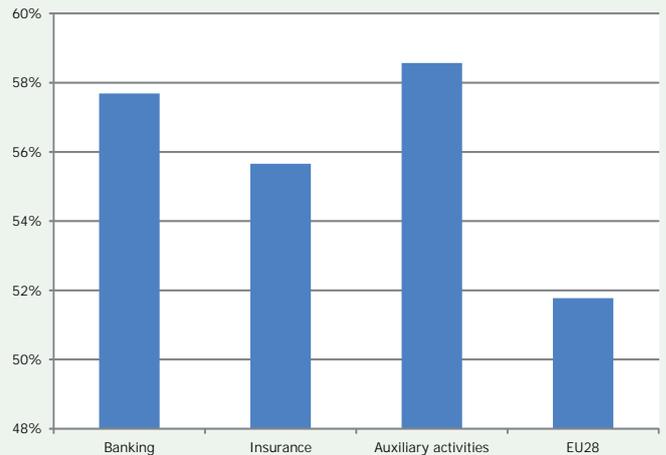
Figure 12: Employer-paid training, by gender and age



Employee representation

The EWCS contains fairly limited information on formal employee representation. It asks whether an employee representative is present at 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 were present at the workplace or when an issue was raised).

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



The prevalence of employee representation is above the EU average (52%) for all financial services subsectors, with 59% in auxiliary activities, 58% in banking, and 56% in insurance.

Psychosocial and physical environment

Job autonomy and work intensity

The psychosocial and physical environment impacts heavily 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 a high level 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

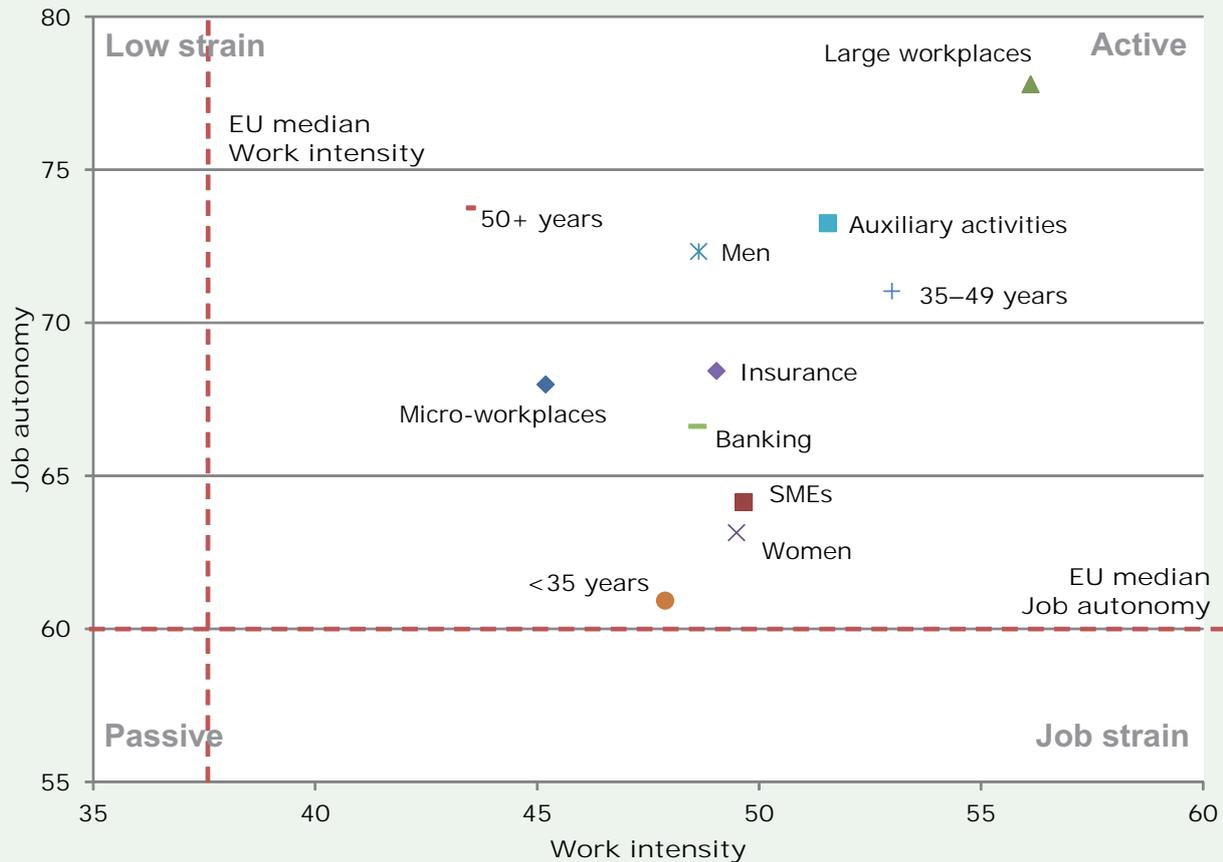


Figure 14 shows the likelihood of workers in financial services suffering from work-related stress. Groups of workers are plotted along two axes: job autonomy and work intensity.

The results for financial services are quite striking. The averages of all groups of workers are in the top-right quadrant of Figure 14. Workers in this quadrant 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.

The other three quadrants are empty. However, the averages for younger workers are only just above the EU28 median for job autonomy, so a proportion of workers in this group will be in a situation of ‘job strain’, the bottom-right quadrant. These jobs are characterised by high levels of intensity and low levels of autonomy, posing the risk of unhealthy stress levels and consequently a range of stress-related illnesses such as cardiovascular disease and mental health problems.

As levels of work intensity are very high in financial services, not many of the workers are likely to be in the bottom-left quadrant, so-called ‘passive’ jobs characterised by low levels of intensity and low levels of autonomy, with a low risk of stress, but a high risk of frustration and low motivation.

Nor are workers in financial services likely to be in the top-left quadrant of ‘low strain’ jobs, characterised by low levels of work intensity and high levels of job autonomy. 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 financial services are very close to the EU28 average on this indicator (Figure 15). Overall, men report having a good social environment almost as frequently as women, and in larger workplaces workers tend to report a better social environment than in smaller ones.

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

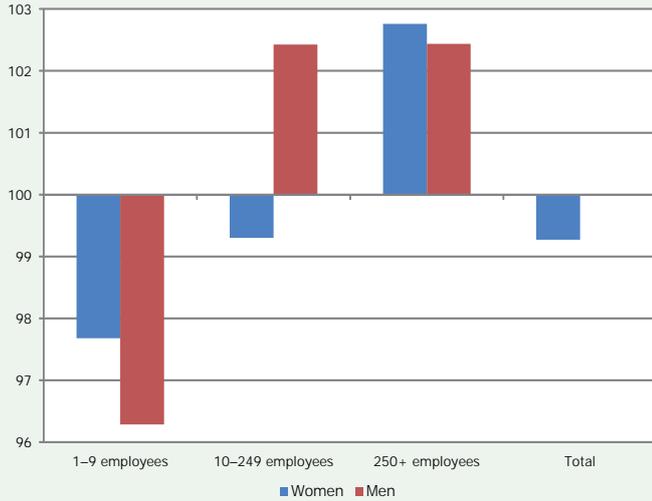
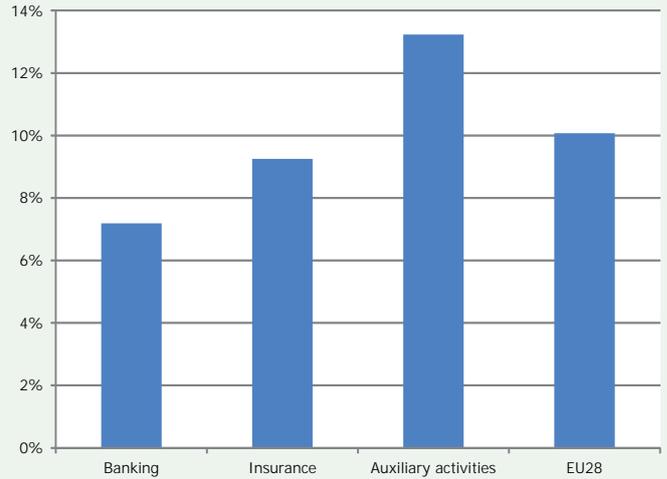


Figure 17: Not very or not at all well informed about health and safety risks at work, by subsector



Physical risks

Exposure to physical risks is much lower in financial services than in the EU28 (Figure 16). By both subsector and gender, there is no exception to the pattern of very low risk exposure.

Only workers in activities auxiliary to banking and insurance report that they are not well informed about health and safety risks at work in a higher proportion than in the EU28 (13% compared to 10% in the EU28; Figure 17). The percentage of workers reporting insufficient information in insurance (9%) and banking (7%) is slightly below the EU average.

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 financial services sector. It shows the average score for the subsectors 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 16: Indices of exposure to physical risks (EU28=100), by subsector and gender

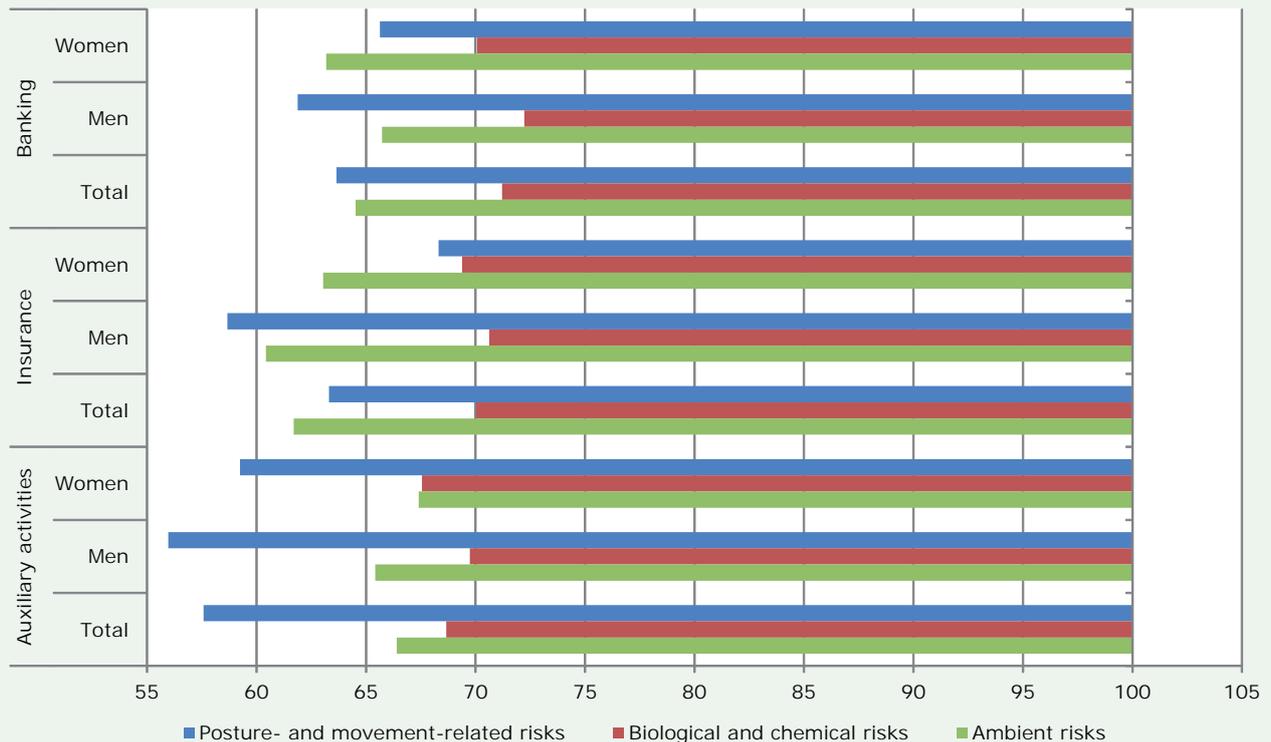
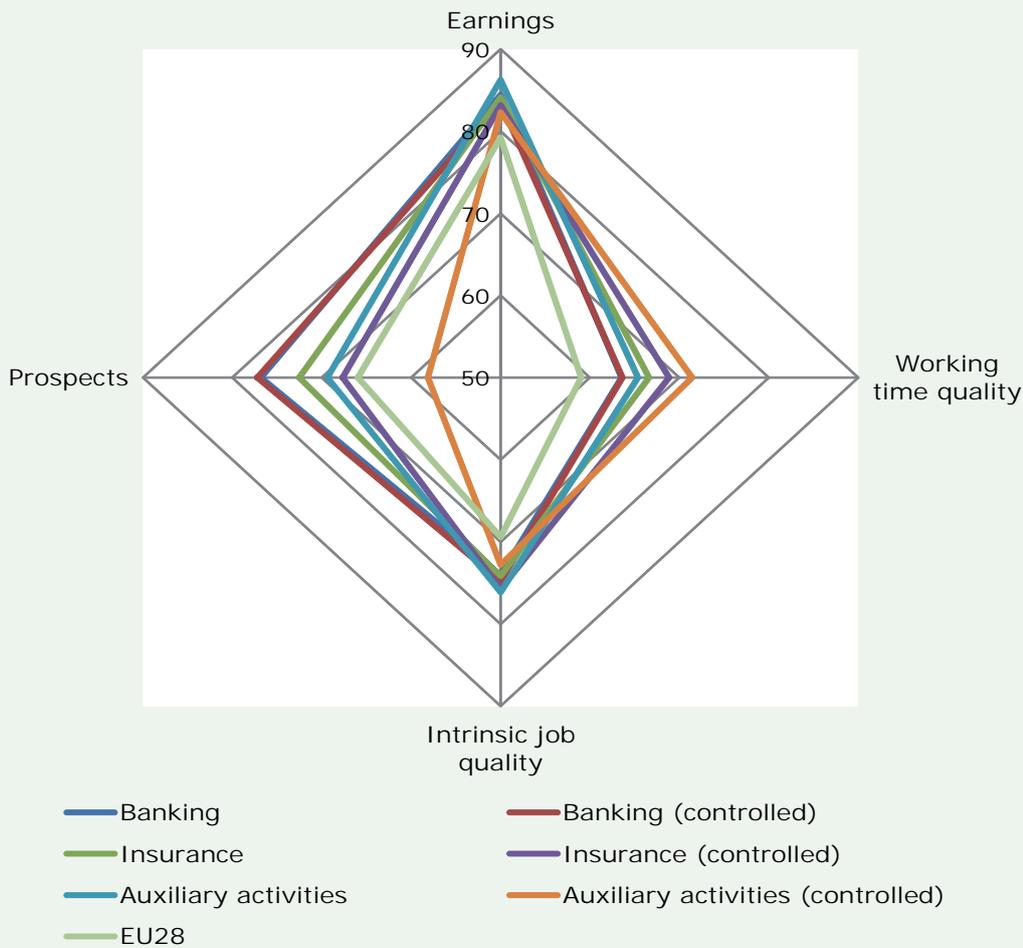


Figure 18: Job quality in the financial services sector compared with the EU28



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

Figure 18 shows that jobs in all three subsectors are of relatively high quality for all indicators. Scores for earnings, working time and intrinsic job quality are above the EU28 average for all subsectors, even when controlling for the structural factors. Only the subsector of auxiliary activities scores lower than the EU28 average for prospects when taking into account the structural differences, suggesting that workers in this subsector are worse off in this respect than workers with similar background characteristics working in other subsectors.

Health and sustainability of work

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

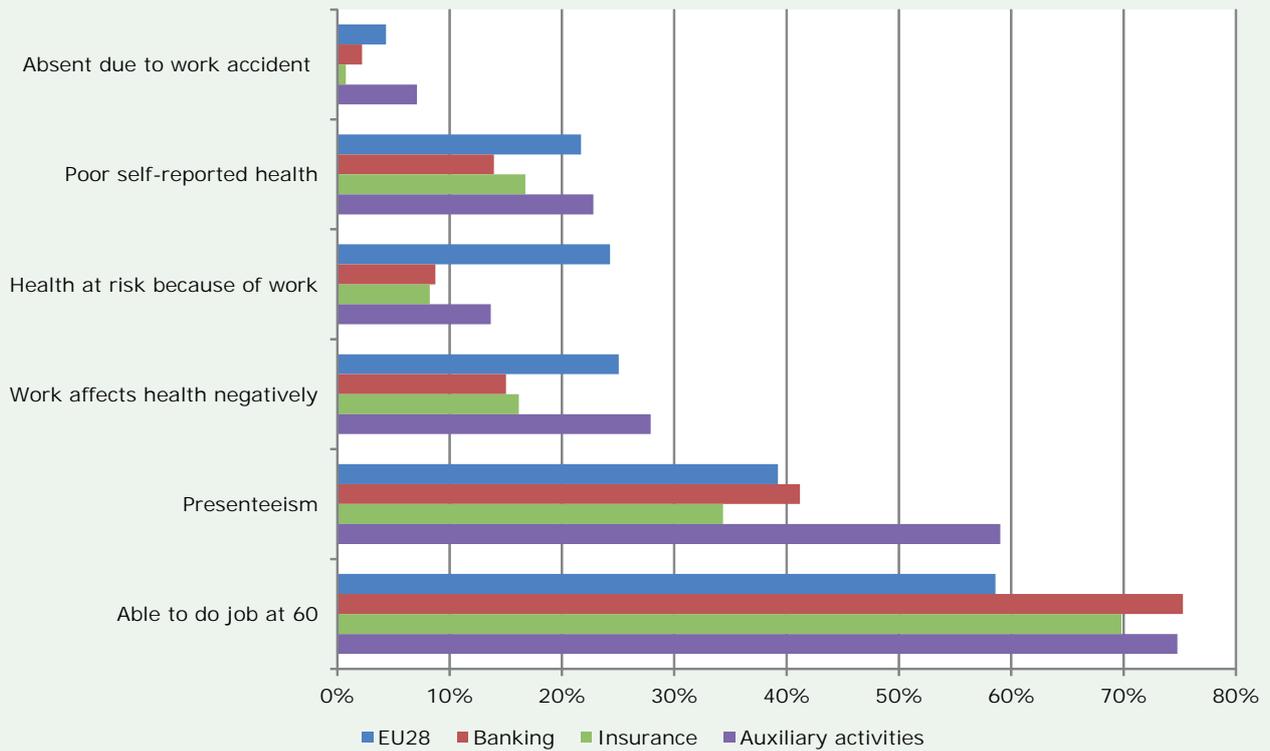
Figure 19 shows slightly different patterns for the subsectors in financial services. Just as in the previous section, multivariate analyses have been carried out to check whether differences between the subsectors and the EU28 change when controlling for structural background characteristics of the workforce (age, gender, workplace size, education level and country).

The banking and insurance subsectors show a very low incidence of absenteeism due to an accident at work. Auxiliary activities are slightly above the EU28 average for this indicator, but the difference is not statistically significant. Workers in the banking and insurance subsectors also report poor health less frequently than in the EU28 as a whole. In activities auxiliary to banking and insurance, the proportion of workers reporting poor health is close to that in the EU28 and there is no statistically significant difference between the two proportions.

For workers who report that their health is at risk because of work, the three subsectors score well below the EU28 average. Employees in banking and insurance also tend to report that their health is negatively affected by work less frequently than in the EU28 as a whole. As in the case of poor self-reported health, the proportion of workers in auxiliary activities who report that their work affects health negatively is close to that in the EU28 and both proportions are not significantly different.

Presenteeism (working when sick) in auxiliary activities is higher than in the EU28 as a whole, but is least frequent in the insurance subsector. For the banking subsector, there are no statistically significant differences with the EU28 average in the presenteeism indicator.

Figure 19: Health and sustainability of work, by subsector



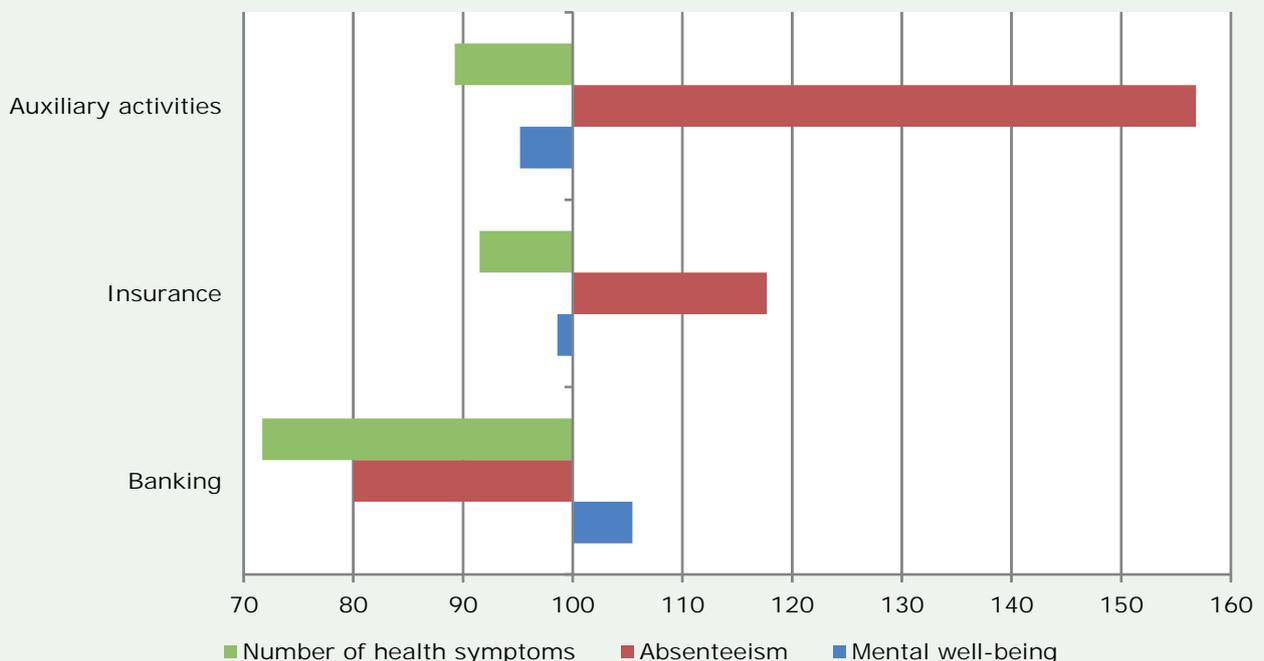
Finally, for all the three subsectors, a very large proportion of workers report that they will be able to do their job at the age of 60, higher than the EU28 average.

Figure 20 shows another picture of health in the financial services sector, with mental well-being scores close to the EU28 average for all three subsectors. There are some differences in the absenteeism indicator, with banking below the EU28 average and insurance and auxiliary activities above it. The banking subsector is also below the EU28

average in the number of health symptoms indicator, while insurance and auxiliary activities do not show a statistically significant difference from the EU as a whole.

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://eurofound.europa.eu/european-working-conditions-surveys-ewcs>

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://eurofound.europa.eu/comparing-working-conditions-across-sectors-in-europe>

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