

## **Challenges faced by employees in the financial sector: case of banking employees**

## **Les défis des salariés du secteur financier : cas des salariés du secteur bancaire**

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## **Abstract**

Employees in any sector and throughout their work process, face many difficulties and challenges. The financial sector is one of the most important sectors of an economy, as it plays an increasingly essential role in financing various infrastructures (roads, power plants, schools, hospitals, etc.). Employees in the financial sector may encounter challenges in their job due to the activity of the sector. In this article, we have tried to shed light on the different and main challenges encountered, the factors that lead to these challenges, and thus suggestions to minimize them. The results have shown us that the insufficiency of salaries and the demand of headquarters and customers are at the top of the challenges, thus the main factors are reflected in the progression of inflation and digitalization and thus the reduced number of employees which makes the number of tasks increased in relation to remuneration.

**Key words :** Employment ; Employees ; Financial sector ; Challenges ; Working climate

## **Résumé**

Les employés de n'importe quel secteur et tout au long de leur processus de travail, sont confrontés à de nombreuses difficultés et défis. Le secteur financier est l'un des secteurs les plus importants d'une économie, car il joue un rôle de plus en plus essentiel dans le financement de diverses infrastructures (routes, centrales électriques, écoles, hôpitaux, etc.). Les employés du secteur financier peuvent rencontrer des défis dans leur métier en raison de l'activité du secteur. Dans cet article, nous avons essayé de mettre un éclairage sur les différents et principaux défis rencontrés, les facteurs qui aboutissent à ces défis, et ainsi des suggestions pour les minimiser. Les résultats nous ont montré que l'insuffisance des salaires et l'exigence des sièges et des clients se trouvent au sommet des défis, ainsi les facteurs principaux se reflètent la progression de l'inflation et la digitalisation et ainsi le nombre réduit des salariés qui rend le nombre des tâches augmentées par rapport la rémunération.

**Mots clés :** Emploi ; Salariés ; Secteur financier ; Défis ; Climat de travail

## Introduction

In a business world known by a multitude of changes, several events and economic activities have pushed the number of salaried employees to increase in any country in the world.

Wage employment has been increasing recently, it is an economic and social relationship between a worker and an employer, where the worker sells his labor force under a formal or informal employment contract, in order to generate a profit for the employer and in return for remuneration of the worker.

Wage employment is a mode of organization in which the employee enters into a contract with his employer, who can be an individual, an association, a company, a State... The contract is characterized by a link of legal subordination to the employer. In exchange for the work done, the employee receives a salary, generally monthly, as well as the financing of his social protection.

Originating from the "industrial revolution", wage employment is the majority mode of organization of work in capitalism. We are talking about a wage society. In fact, in many countries, employees constitute the majority of the population in the labor market.

An employee in the entity of his work can encounter several challenges, the degree of difficulty can vary between one employee and another all employees in various sectors experience challenges in their job.

The financial sector includes all banking activities as well as other asset-building activities, such as insurance, leasing, bankig...etc.

Financial sector employees work in an important sector, and sound financial systems support economic growth and development, promote financial stability, both globally and domestically, create jobs, and improve productivity. This gives people the confidence to invest and save. Sound banking systems and capital markets enable the efficient flow of funds to more productive uses, help governments raise investment capital, maintain financial safety nets, and expedite secure payments across borders.

The financial sector is an economic sector made up of the set of entities that offer financial services

Given that this sector presents an economic vitality, we were curious to better understand the working conditions of the core of this sector who are the banking employees and what are the main challenges they encounter.

The research question that we were able to formulate is :

***How can we describe the working climate of banking employees? and what are the main challenges they encounter in their profession?***

In order to answer our research question, we tried to conduct a survey among the employees of some banks in two cities, Tangier and Tetouan, based on the elements mentioned in the theoretical part carried out on the basis of the analysis of some research work in this field.

The first section will be devoted to a literature review, which is further divided into three sub-sections that successively address the concept and types of employees, the financial sector, and the challenges faced by employees in this sector as mentioned in the literature. The remaining sections focus on the hypotheses, methodology, and results of the survey.

## **1. Literature review**

### **1.1.Salaried employee : concept and types**

Salaried employment is the act of considering someone as an employee, of giving someone the status of employee.

Paid work, wage work or salaried work is the socio-economic relationship between an employee (also called a wage worker) and an employer (also called an entrepreneur), through which the former provides his or her labor through a formal or informal employment contract.

In exchange for wages, the product of labor usually becomes the property of the employer, and A wage worker is a person whose primary source of income is the sale of his or her effort.

By definition, the minimum wage generally applies directly only to salaried workers.

The term “salaried worker” is used both in legal texts and in statistical analyses, although there is no international legal definition of what is meant by salaried worker. Different definitions are used in different countries and there is no uniform standard in this regard.

The general concept in all countries is that an employee is a person who receives remuneration for the performance of his work services. That is, an employee is an employee who receives his salary or wages from his employer.

Therefore, a wage earner, or employee, is a salaried worker who provides his or her services under an employment contract.

There are different types or situations of a wage earner depending on their employment situation, like permanent employees, temporary employees, part-time employees , seasonal employees and project-based employees.

Persons absent from work due to illness or accident, labour dispute, disciplinary suspension of employment and pay, vacation, study leave, maternity leave or other kind of leave, voluntary absence, temporary disorganization of work for reasons such as bad weather or mechanical breakdowns, are considered to be employed.

The persons shall not be considered to be salaried are the ntrepreneurs and self-employed workers, even if they are employed as salaried workers in their own company, and also unpaid family workers (family helpers) and members of cooperatives who work in the same.

## **1.2.Financial sector**

The financial sector is the set of public and/or private entities dedicated to credit, stock exchange, insurance and surety activities. The financial sector is one of the main vectors of the transition to fully sustainable development.

The financial system is not only responsible for the conservation, lending and collection of money, but also contributes to the progress of a society with needs in terms of housing, studies, work, etc. It is a system that provides opportunities and resources to those who need them most.

The financial services sector plays a crucial role in the proper functioning of public services by contributing to economic development. The financial system serves as an intermediary between those who have excess money and want to lend it, and those who need financing. In other words, what the financial system generates is credit. Banks are a very important player in the financial system, acting as intermediaries between those who have excess money and those who need it.

It is also important to note that for the financial system to contribute to increasing economic growth, employees in the sector must work in a motivating and comfortable climate.

The banking and financial sector faces significant HR challenges due to rapid industry evolution and increasing adoption of AI, and this contributes to a deterioration in working conditions.

In fact, this multitude of changes can influence the wage yield which can also negatively impact in a robust way this vital sector and therefore the state economy. These mutations are at the origin of disastrous economic consequences and the adoption of questionable practices (Monvoisin & Sandrine 2012)

In an era characterized by rapid technological progress and evolving consumer demands, the banking sector is experiencing a significant transformation (Tirlea & Caprian 2024).

## **1.3.Challenges for employees in the financial sector**

In the very particular context of the health crisis that began in 2020 due to CORONAVIRUS, and with enormous economic and social impacts, banks in several countries around the world have helped businesses absorb the shock of the abrupt cessation of their activity, ensuring the continuity of service necessary for the functioning of the country and participating in supporting the economy. Support for the economy made possible by the solidity of the banking system

Banker helps in economizing the use of money, and diminishes the cost and effort of exchange (Monvoisin & Sandrine, 2012). Nowadays, stress management is gaining more and more attention, especially in the banking sector, whose work is extremely stress-free. In the performance of their duties, everyone is faced with pressure and worry. The banking industry, which is the spine of the national economy, is not an unusual sector, and the banking staff are expected to be dynamic, sufficiently qualified to fulfill their obligations and operate in a highly competitive environment (Das & Strivastav (2015).

Most professions are changing, through digitalization, the development of new technologies (AI, blockchain, etc.) and the strengthening of specialization and expertise to meet the new requirements of the sector with a generalized increase in skills. The increase in the level of diplomas upon hiring, combined with continuing education leading to a diploma, is significantly changing the general level of qualification of all employees.

Like any new technology, online banking also presents some challenges for banks, the difficulties faced by bankers due to the use of digital services, are mainly reflected in increased stress and technical bottlenecks (Sharma, 2012). Financial innovations have brought revolutionary changes in many aspects of the banking industry and the fierce competition and pressure to satisfy stakeholders has led to an increase in employee stress at work like never before (Alaparthi 2020).

## **2. Research hypothesis**

Research hypotheses are tentative statements that express a relationship between two or more variables. The scientific hypothesis is a part of the reasoning that allows the research developed throughout the article to be presented.

According to our research question, the hypotheses of our study can be formulated as follows:

**H1:** Bank employees do not face challenges

**H2:** Bank employees face challenges

**H2.1:** *Most difficulties due to digitalization*

**H2.2:** *Most difficulties from coronavirus*

**H2.3:** *Most difficulties due to inflation*

### 3. Research methodology

The purpose of this article is to explain the challenges faced by banking employees in two cities, Tangier and Tetouan, who were chosen based on the relational side in the two cities where we know more employees in this sector. A survey was conducted among this type of employee by emphasizing in our questions economic and health factors and determinants that seem to influence this aspect, something that was approved according to some respondents in the sector.

### 4. Discussion and results

According to our survey conducted among banking employees, the majority of respondents were men (with a percentage of 83%). The status of respondents varies between sales support officers, operations officers and customer service managers as well as customer service officers who constitute the majority of respondents. All respondents assured that they face challenges in their job at the bank, and the insufficient salary is the crux of these challenges since the majority affirmed that it is the main challenge.

After the major challenge which is the insufficient salary, the respondents assured that the regime required by the headquarters of their bank also constitutes a challenge in their job.

Then, the high demand of the customers is in the third rank of the challenges, and our respondents also added other challenges such as : *Lack of prerogatives, Stressful work schedule, Lack of communication within the agency and with clients, The workload*

Regarding the factors that led to these challenges, the majority of respondents assured that the consequences of COVID-19 and the increase in digitalization constitute the main factors of their challenges.

Then, we deduced from our respondents' answers that the progression of inflation and artificial intelligence are the second of these factors. In addition to these factors we can also add : *The variation of the tax regime , fierce competition , the requirements of the banks in terms of profitability and in terms of objectives*

In order to present solutions that can reduce the volume of these challenges, we proposed to our respondents to give suggestions that can be a contribution of this study for those responsible for work in this sector, and the suggestions were as : *Adjustment of remuneration to the effects of inflation, continuing and continuing education of the employee, increase in the banks of*



*banks, source restraint fees (RAS), increase and revision of wages, recruitment of new ones and several other employees, wage revision, communication and fixing of reasonable objectives, reduce the number of banks to minimize competition, a communication system based on recognition and motivation, and a fair remuneration system.*

According to the literature review and the research work analyzed in this context, the challenges encountered are similar at the international level, particularly those linked to the consequences of Covid-19, the only challenge that stands out from other countries and constitutes a primary challenge for the employees in our sample and the low remuneration of employees in the face of their professional pressure.

## **Conclusion**

The job of a banker is to advise customers and manage their banking transactions. Bankers are the preferred contacts for customers to offer them banking products adapted to their needs, whether for individuals, professionals, or companies.

They are responsible for opening accounts, granting loans and providing advice on wealth management. They can also be called financial advisors, account managers or bank advisors. Their clients can be individuals, professionals (self-employed, craftsmen, etc.) or companies. Often, their job title changes depending on the type of clientele (pro account manager, corporate, individual, private bank, etc ).

Whether it is opening accounts, providing management advice, or granting loans, the banker is constantly in direct contact with his clients to manage their financial assets on a daily basis. Sometimes faced with complicated financial situations that he must manage, the banker must demonstrate listening and psychology to help his client find the best solution. By studying the financial situation of his clientele, he can then be a force for proposals in order to optimize his financial assets.

The banker generally works within banking and financial institutions such as stockbrokers, investment banks or deposit banks. Bankers can also be recruited by large companies or private management companies. He can work at the bank's headquarters or in a bank branch (open to the public).

A large number of tasks can make the job seem stressful and challenging, especially when we talk about a profession where the employee is the one who supports the clients of a bank for all their financial needs.

The managerial and scientific implications of our paper lie in its focus on the challenges faced by employees in a vital sector that constitutes one of the main organs of the economy.

The challenges encountered can offer financial sector managers a broad perspective on the sector's development by fostering its core, namely its employees, who in turn can develop through strong motivation and a clear understanding of their needs and working conditions.

Our research work is limited to the level of the geographical area and to the level of the target of the financial sector, in this framework, we propose to future researchers in this field to measure the same challenges in other Moroccan cities or even in other countries, thus, to measure the challenges encountered by employees of other entities of the financial sector such as insurance.

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