

The labour market in the Financial Industry

Compensation and labour costs
in the Italian & European
banking sector

Recent trends in productivity,
analysis of typical positions
and personnel policies
2014 Report

This book is an abstract of 2014 Report on The labour market in the financial industry realised by Giancarlo Durante (head of project and co-ordinator), Luigi Prosperetti (scientific consultant) and a group established by the following offices: **Wage Systems and Dynamics, Labour Legislation, Social and Trade-unions issues, Economic and Management Analysis** and **European Banking Report Observatory (EBR)**.

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INTRODUCTION

The report for 2014, which represents the twenty-second edition, supplies a broad picture of the competitive position of the Italian banking system, through examination of numerous sets of data referring to human resources, their management and their cost¹.

The report is divided into three parts, the **first** of which supplies a detailed description of the characteristics of the sector's personnel, and offers an international comparison – both at the level of banking groups and with reference to basic positions – which allows for summarizing the differences and distance that separates Italy from other competitors. The **second** part examines the regulatory profiles of the Italian labour market. The **third** part is dedicated to an analysis of the restructuring and organizational changes as reported by European banks.

Chapter 1 analyzes labour in the Italian banking system, focusing the attention on actual crisis-related factors: the framework of reference, the criticalities in the personnel structure and charges related to the labour cost.

Chapter 2 contains an analysis of employment in Europe and in Italy, and an in-depth look at the Italian banking sector, with a focus on the difference by gender.

Chapter 3 analyzes the trends of wages, personnel costs, and several indicators of productivity in the Italian credit sector.

Chapter 4 examines the relationship between labour and external competitiveness for a sample of Italian banking groups, which are measured against comparable institutions in the main European countries.

Chapter 5 provides the annual comparison of wages and labour costs between Italian and European banks for several job positions in the sector, including non-managerial, managerial and executive positions.

¹ This report is a summary of the Italian Banking Association Report on the Labour Market in the Financial Industry, published in December 2014.

Chapter 6 concentrates on the issue of making use of older banking personnel, namely, strengthening the capacity of these workers within banks, including through adjustment of professional skills to the new needs of the market. The chapter also analyzes the initiatives in relation to the “Youth Guarantee”, an EU project aimed at countering unemployment among young people.

From the perspective of labour law, **Chapter 7** examines the main areas governed by the recent law containing “urgent provisions to favour the relaunch of employment and the simplification of compliance matters on the part of businesses”, and the legislative bill known as the “Jobs Act”.

Chapter 8 highlights the key contents of new regulations for the Credit solidarity fund, through an examination of an interministerial decree of 28 July 2014 which introduced several interesting changes.

Finally, **Chapter 9** takes a look at the sweeping restructuring processes taking place within leading European banks, with explicit reference to their impact on the labour factor; the chapter also highlights the strategies for adapting processes and cost structures, while simultaneously seeking the best competitive positions.

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The 2014 Italian Banking Association (ABI) **Report on the Labour Market in the Financial Industry** supplies a broad picture of the competitive position of the Italian banking system, through examination of numerous sets of data referring to human resources, their management and their cost.

In addition to the normal updates and reviews of the national and international comparisons, the Report provides an in-depth breakdown of the salient aspects of the compensation systems for Italy's main European partners and their labour costs and business productivity.

A specific focus is given to employment in Europe, with details about the characteristics of personnel employed in Italian banking sector, including from the perspective of differences by gender.

The Report also concentrates on the issue of utilizing older banking personnel, namely, strengthening the capacity of these workers within banks, including through adjustment of the workers' professional skills to the new needs of the market. It analyzes as well the initiatives in relation to the "Youth Guarantee", an EU project aimed at countering unemployment among young people.

From the perspective of labour law, the Report examines the main aspects of the recent law containing "urgent provisions to favour the relaunch of employment and the simplification of compliance matters on the part of businesses", and the legislative bill known as the "Jobs Act".

Finally, it takes a look at the sweeping restructuring processes taking place within European banking organizations, with explicit reference to their impact on the labour factor.

This Report has been realized by Giancarlo Durante (project head and co-ordinator), Luigi Prosperetti (scientific consultant) and a working group consisting of representatives from the following offices of the Italian Banking Association: Wage Systems and Dynamics, Labour Legislation, Social and Trade-union issues, Economic and Management Analysis, and the European Banking Report (EBR) Observatory.