

SKILLS FOR THE BANKING SECTOR. A PERSPECTIVE FROM ROMANIAN GRADUATE STUDENTS.

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Abstract: Due to the current nature of jobs and the labour market landscape, jobs themselves change much more rapidly today for many reasons, one of them being the increased digitization of life and the economy. We use digital technologies for social interactions and online transactions, but we increasingly use digital technologies at work as well. Universities prepare the next generation for the workforce and deliver graduates according to the needs of employers. However, in many cases, employers need to train or re-train their newly employed graduates according to the real and specific needs of the job. In some cases, this may be justified by the specific nature of the job. Here, we attempted to understand the mismatch between university specializations and the requirements of jobs in a certain field.

The paper analyses the perception of students and graduates of the way in which university programmes help them become well-trained professionals that match job requirements in the field of economics and finance. Between March 2018 and March 2019, 500 surveys were distributed to students and graduates in the fields of economics, business administration, finance and banking, and 396 completed questionnaires were analysed. In the course of our research, we also interviewed employers in the banking sector to obtain their thoughts and opinions on the correspondence between jobs and university specializations and programmes.

Based on our research, an increased collaboration between universities and employers would be beneficial. The involvement of students and graduates in collaborative projects between universities and employers and the direct participation of employers in delivering courses and seminars are some examples of implementing these ideas.

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Introduction

In April 2018, at the conference of the Bank Governance Leadership Network dedicated to the future of the workforce in the banking sector, a viewpoint shared by the participants was that “*there is going to be digitization of the workforce in a way we have never seen before. In 10 years, probably less, we will have substantially fewer employees, and the ones we do have will be significantly different from what we have now*” (Tapestry Networks & EY, 2018). These changes in the workforce are primarily the result of the changes in operations due to digital technologies, which lead to changes in the nature and structure of jobs. A study carried out in 2017 and citing McKinsey research reported that approximately 30% of the work currently done at banks will be performed by machines (Ponczek, 2017). Moreover, computers can observe and rapidly learn the work that is performed by workers, thus leading to fully automated jobs or job functions.

In 2018, the Hong Kong and Shanghai Banking Corporation (HSBC), one of the largest banks in the world, committed 17 billion USD to a new growth strategy based on the ongoing digital revolution in banking. In the same year, HSBC recruited over 1000 digital roles globally, including UI designers, digital product managers, and solution architects (Finextra, 2018).

It is not only digital technologies that are reshaping the skill set that is now required in the banking sector. Apart from digital skills, employees must have technical/specialist skills, such as knowledge in financial products, financial regulation, financial reporting, tax, risk management and compliance, audit and compliance skills, and product and valuation control (Oscar, 2015).

In today’s business environment, there is an increasing demand for specialist and soft skills, for example industry awareness (seen as the ability to anticipate financial trends and business development), global outlook (knowledge and experience in international environments and the ability to work in an international context), problem solving, communication skills and resilience (Oscar, 2015). A Barclays recruitment guide shows that the bank welcomes employees with degrees in any subject, thus recognizing the importance of having different backgrounds, interests and skills (Barclays, 2018). The features sought by Barclays in their job candidates are being an agile learner, relationship navigator, team collaborator, resilient performer, critical analyst and numerical interpreter (Barclays, 2018). Other traits required for job applicants in the financial and banking sector are intellectual curiosity and broad-mindedness (Baillie Gifford, 2019). Intellectual skills are no longer judged by academic grades alone.

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Bank recruiters also look for “intellectually curious” people, i.e., those who expand their interest to the work of others and are not focused solely on completing their own tasks (TARGETJobs, 2019). Innovation and entrepreneurship are also important banking skills. Morgan Stanley, for instance, considers these skills necessary in order to be able to create new opportunities at work (Morgan Stanley, 2019). Having a global outlook is also a key skill for job applicants in the financial and banking sector. For example, competences required by Barclays include “willingness to work abroad and language skills” (Barclays, 2018), and the job applicants at Goldman Sachs in 2018 were required to have linguistic skills (Goldman Sachs, 2019). Candidate competences requested by Merrill Lynch, Nomura and UBS included ‘international experience’ or a ‘global outlook’ (TARGETJobs, 2019). Other skills sought by the financial and banking sector are loyalty, authority, enthusiasm and diplomacy (Monster, 2019).

In our ever-evolving world, the nature and content of jobs is rapidly changing in most areas, including in the financial and banking sector. In addition, the workforce itself is changing. Young people today are not the same as those of five or ten years ago. The graduates today are demanding; they prefer flexible working conditions and jobs involving new technologies, and they typically are not very interested in long-term tasks (Collins, 2018).

In this context, our research explored how students and graduates perceive the match between the skills set they acquired during their university studies and the actual requirements of jobs in the financial and banking sector. At the same time, we interviewed representatives of the banking sector and tried to understand whether graduates today match current job requirements or whether employers have to provide additional training.

Methodology

After assessing the literature in this area, we narrowed our focus to the issue of the correspondence between skills developed in university (technical, digital, soft) and those required by jobs in the banking sector. Our research design for collecting and analysing data was mixed, involving both quantitative and qualitative methods. Between March 2018 and March 2019, we distributed 500 surveys (on paper and electronically using the questionpro.com platform) to students and graduates in the field of economics and finance. We collected and analysed 396 responses. We also researched banks by sending surveys to the HR departments and by interviewing bank representatives. The data collected was statistically analysed using SPSS and Tableau.

The research objective was to explore students’ and graduates’ knowledge about the requirements of real jobs in their field of specialization. We also wanted to understand how they perceived the usefulness of the skills offered by universities for the demands of jobs in the banking sector. We considered as dependent variables technical skills, digital skills and soft skills. The independent variables in our study were collaboration with the employer; industry trends and changes; occupational standards; and real needs of the job.

In this paper, we report the findings related to graduate students who are enrolled in master’s degree programmes in the area of economics and finance.

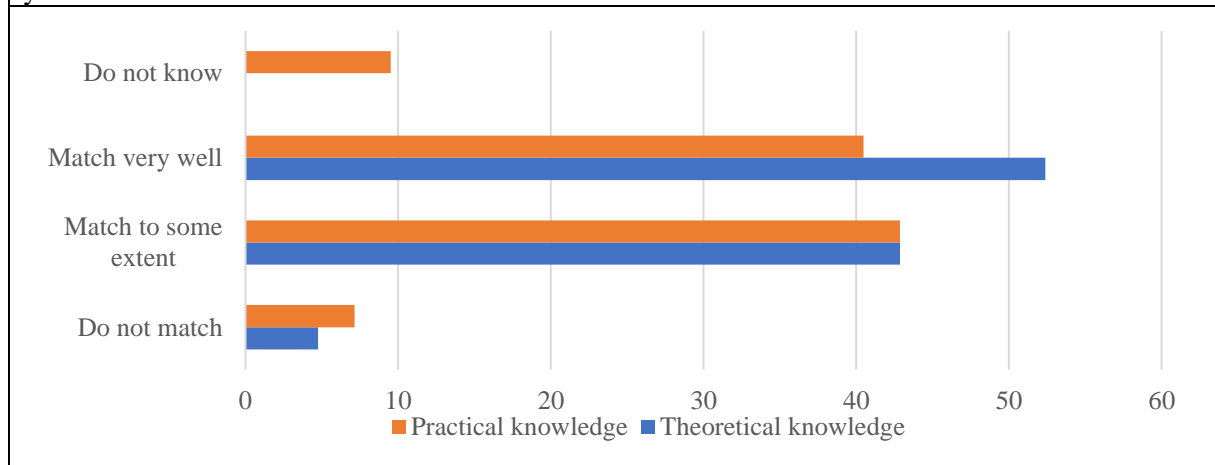
Results and Discussion

Technical skills. Overall, 53% of respondents said that their theoretical knowledge matches very well to the demands of the jobs, and 41% said that their practical knowledge fits very well with the requirements of the jobs in their field of specialization (i.e., economics and finance), as shown in Figure 1.

It is somewhat concerning that 43% of the respondents stated that the technical skills developed through university programmes match the job requirements only to some extent. Also worrisome is the fact that 10% of the respondents did not know what the requirements of the jobs in their field of specialization were, thus not being able to assess whether the technical skills and knowledge acquired during university studies were useful for the jobs in their field.

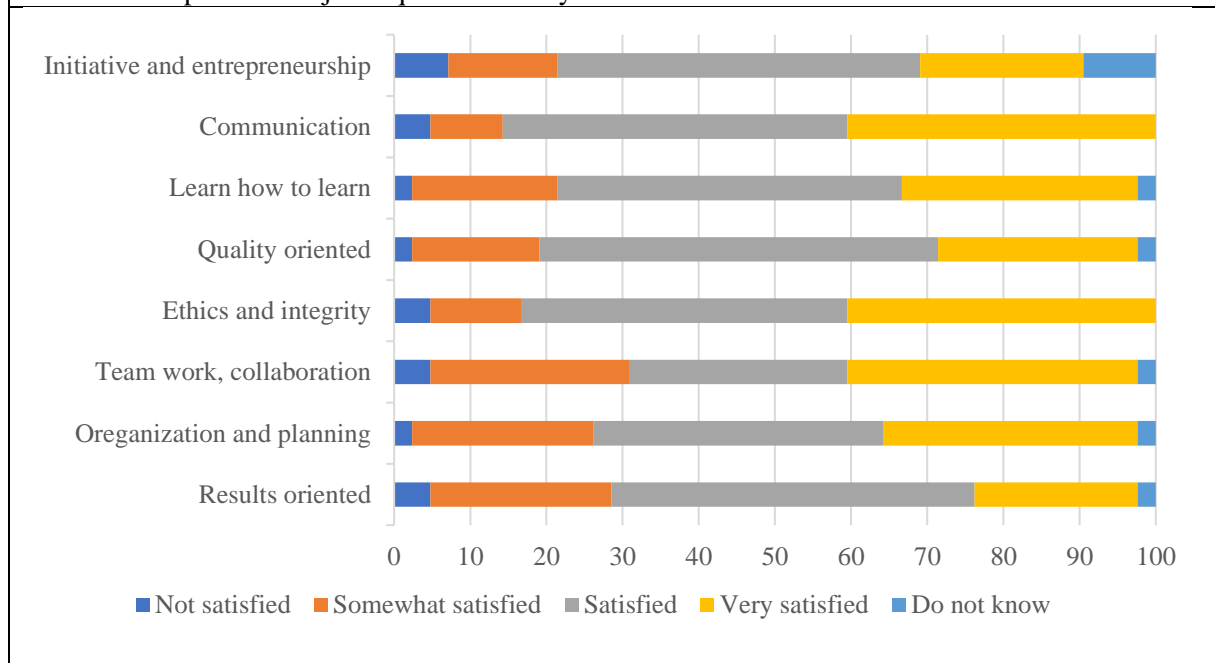
Digital skills. In our survey research, we referred to the basic digital skills as established by Cedefop (Cedefop, 2016), namely, information processing, communication, content creation, safety and problem solving.

Figure 1: Technical skills and knowledge: In your opinion, do the knowledge and information offered by the university through the master's degree programme match the real needs of the jobs in your field?



Source: Authors

Figure 2: Soft skills: Are you satisfied with how well the soft skills acquired during your university studies correspond to the job requirements in your field?



Source: Authors

In total, 90% of the respondents said that jobs in economics and finance use digital technologies, and 67% were satisfied or very satisfied with the extent that the digital skills developed through the university matched the needs of the jobs. However, 72% of the respondents did not have a European Computer Driving License (ECDL), and 71% of the respondents thought that the university programmes would help them achieve only intermediate-level digital skills.

The basic digital skills required of job candidates in the banking sector, which are very much needed, are information processing and communication (as stated by 53% of the respondents from the banking sector). Among the advanced digital skills required in the banking sector, applications development was considered important by 38% of the banks that responded to our survey, followed by web programming (23%) and user interface design (23%). HR and bank representatives indicated that ECDL competences were important to them; however, of the graduate students that responded to our survey, 72% do not have them (as mentioned above). Other digital skills required for jobs in the banking sector are user experience design/interface, Java, DevOps, big data analysis, big data management, API, artificial

intelligence, blockchain, chatbots and advanced analytics. In total, 54% of the respondents from the banking sector stated that graduates did not have the digital skills needed for the actual jobs, and 85% of respondents (banks) said that additional in-house training was required for the newly employed.

Soft skills. We investigated the following soft skills: initiative and entrepreneurship; communication; learning how to learn; quality oriented; ethics and integrity; team work and collaboration; organisation and planning; and being results oriented.

Most of the graduate students (84%) were satisfied or very satisfied with how well the skills related to communication and ethics and integrity that were acquired during their university studies correspond to the needs of the jobs in their field (Figure 2). However, the respondents were not satisfied or only somewhat satisfied with how well the skills of team work and being results oriented matched the needs of the jobs (Figure 2).

Conclusions

The nature and content of jobs is changing in the banking sector and in other economic areas. With the inclusion of generation Y and generation Z, the makeup of the modern workforce is different today than it was 10 or more years ago. The competences and skills acquired in university (technical, digital and soft skills) should match the requirements of actual jobs. However, this is not easy to accomplish. On the one hand, job requirements change quite rapidly, and university curricula cannot follow at the same pace. On the other hand, the collaboration between universities and employers, in our case the banking sector, is not frequent and is insufficient. Graduate students who are enrolled in master's degree programmes are either not aware of the job demands in their field or are not very satisfied with the match between the competences acquired in university and the job requirements. Employers (the banks in our study) have greater expectations regarding the digital and soft skills of job candidates and address this lack by providing additional in-house training. A conclusion of our study is that a closer collaboration between universities and employers is necessary in terms of course content creation and the acquisition of practical skills.

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