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**EU Bank Social Partners' review of
The joint Statement of 2005
On Employment & Social Affairs in the European Banking
sector: some aspects related to Corporate Social
Responsibility (CSR)**

Introduction

Corporate Social Responsibility with particular regard to its employment and social affairs aspects, has been the object in 2005 of a Joint Statement between the social partners in the banking sector in the framework of European social dialogue. The European social partners in respect of their mandate and competence, agree to review the 2005 joint statement and that since the scope of CSR is very broad they agree to concentrate on some employment and social affairs aspects and in particular:

- Training, learning and development;
- Core labour standards;
- Work –life balance;
- Internal communication;
- Equal opportunity.

The review of the above-mentioned declaration, has taken into consideration what has happened in the meantime in the financial world, with particular reference to the financial crisis which has marked a significant change for millions of people, and also for banks and employees. As stated in the ILO Global Dialogue Forum conclusions on the impact of the financial crisis on the finance sector workers which took place in Geneva in 2009:

“The world is facing a deep and serious financial and economic crisis, which is having a direct impact on employment and livelihoods in some countries already, as well as creating a climate of uncertainty. The degree and extent of the impact vary across countries and industry segments. The social partners need to monitor the evolution of the crisis, and anticipate its social and labour impact beyond the current countries and segments. Restoring confidence in banks and fixing the current problems in the financial system would be a first step in relaunching the global economy towards recovery.”



Stabilising and reforming the financial system is not only about economic and regulatory matters. Change will also affect and be influenced by the labour and social dimension (impact on jobs, employment, internal operating procedures and working conditions and practices, skills requirements, social protection and other aspects) in banks, insurance companies and other financial services.

In stabilising the crisis, the reform process should take in due account of the 1998 ILO Declaration on Fundamental Principles and Rights at Work, including freedom of association, protection of the right to organise and collective bargaining¹

The process involves the social partners insofar as the labour and social dimension is concerned. This should cover the wide spectrum of financial institutions, from microfinance to multinationals, and from private to public enterprises. Social dialogue has a key role in mitigating the effects of the crisis and in finding possible solutions. Information and consultation is also important in multinational enterprises, and global framework agreements can play a role in the process. Social dialogue between management, unions and workers' representatives at appropriate levels in restructuring processes is a helpful tool.

As a consequence of the financial crisis, some areas of the financial industry² have to face redundancies. Social partners agree that every effort should be made to explore alternatives to redundancies and to use them only as a last resort. Governments, employers, employees and workers' organisations should use all existing levels of participation, including social dialogue and collective bargaining among other things, help workers' employability through skills enhancement, lifelong learning and active labour market policies to support adjustment.

Social partners agree that training and retraining should be enhanced to address job displacement, providing skills required for the current tasks while taking into account the requirements of the labour market and in order to try to retain and possibly create employment. Social partners may explore innovative approaches to training and its financing.

Objectives and principles

Bearing this in mind the social partners agree that CSR is a voluntary assumption of social responsibility beyond that which is required by law and

¹ This is the quotation of the ILO declaration of 2008

² In terms of reference in this document "financial sector" does not include the insurance sector



experience shows that it is particularly fruitful for all concerned when companies address social issues which lie in their area of expertise and in which they have a stake.

The social partners appreciate the Commission's Communication on CSR and recognise that CSR has gained significance over the last decades. Businesses have long since embraced the notion that they are accountable for the environmental and social effects of their business activities. CSR has even developed beyond this as companies realise that there is a strong link between running a business that is beneficial to society at large and its long-term success and sustainable profitability.

For many years banks have maintained a continuous and results-oriented dialogue with employee representatives at all levels (enterprise, sector, national and European).

There now exists a wide range of good practices in the area of labour relations. These include of course the joint statement signed in 2005 by the European Social Partners in the financial sector. As a result, a number of good initiatives have been introduced, tailored to the varying needs of individual banks.

Training, learning and Development

The European social partners recognise that the financial sector places a high priority on staff training and invests significant resources. The financial crisis has, however, increased scrutiny on training approaches including a willingness to try new methods such as e-learning. Employees and their representatives often contribute in shaping internal and external communications and proposals to management regarding certain policies and community involvement.

Taking customer service as a main principle, Social Partners stress the importance of training for developing employees' professional and personal skills that also aligns these skill sets with the bank's strategy. Permanent training adapted to each employee's specific needs and to banks business priorities is essential to provide good service. Banks also motivate and support employees to be pro-active and responsible for his/her own personal and professional development including by issuing available training opportunities.

Social partners also agree that adequate training should be provided for staff in the financial sector involved in sales of commercial products.

Equal Opportunity



The European social partners agree that equal opportunity is a fundamental principle and agree with the principles expressed in the European Commission's Communication 'Europe 2020 a strategy for smart, sustainable and inclusive growth' on 3 March 2010 in which the Commission emphasises the importance of gender equality. The Commission highlights European values such as democratic institutions, the respect for the environment, cultural diversity and respect for gender equality, and also exposes some structural weaknesses as regards gender equality such as the percentage of working women compared to working men in high managerial positions.

The social partners agree that equal employment opportunity policy should govern all human resources' systems and procedures i.e. recruitment, training & development, performance appraisals, and promotions. In combination with national and European legal standards this ensures that all staff members are treated equally and no staff member is discriminated against, ensuring for instance, the recruitment of young people with disabilities.

Social partners agree that further steps towards gender equality should be taken including the correction of salary differences between men and women where such exist. In salary reviews, managers are given greater responsibility and a mandate to even out salary differences between men and women. Such progress has been reinforced by the launch of different national Charters on diversity and equal opportunities, aimed at managers and employees promoting equal professional opportunities for men and women.

These charters could support the multi-generational management of staff, help in implementing processes to encourage diversity, optimally manage the employment of people with disabilities and seeks to tackle all forms of discrimination for example based on religion, gender, age, race, sexual orientation, etc. These Charters encourages companies in the financial sector to adopt a long-term approach to diversity and increase the proportion of women at all levels of company hierarchy.

Core Labour Standards

The social partners recognise that virtually all banks have subscribed to core labour standards through one or more organisations. This pertains to participation in United Nations Global Compact and OECD guidelines for Multinational Enterprises and Prevention of Conflicts of Interest (regarding gifts etc.). Social partners are committed to promoting, in their respective sphere of influence, a series of key values in the areas of human rights, labour rights and legislation, environment and the struggle against corruption.

Internal communication

The social partners would like to underline that good internal communication is an important factor to build a constructive social climate. They also recognise that new communication procedures, are being put in place thanks to new technologies.

Work-Life Balance

The Social partners agree that activities to promote health and well-being, include specific plans to support ‘health at work’, such as professional medical check-ups / prevention structures, guidelines regarding sexual and mental harassment, as well as initiatives to avert burn-out syndrome and policies on active ageing are valuable contributions to promote work-life balance.

The Social partners acknowledge that a wide range of services for financial sector employees exist to promote health, safety and well-being at work. Measures to optimise the work-life balance (flexible working hours, work at home, parental leaves and other welfare policies) should also be included with a new people care approach.

Conclusions and follow-up:

The financial sector social partners share the objective of long-term growth and sustainability of the banking industry in Europe and of the European economy in general.

The financial sector social partners recognise that the European banking social dialogue has an important role to play in order to strengthen attractiveness and confidence to help in the process of the growth of sustainable profitability and employment in the sector.

The Social partners agree on the principle that Social dialogue, as emphasised in many European meetings, is a “win – win” situation when setting the scope and concept of policies and the playfield is left to the autonomy of the social partners including the choice of adapting policies to the changing economy and regulatory environment.

Therefore, the social partners in their various functions and at the different levels of involvement remain the main actors on the field since they know better than anyone else what the economy needs and which is the appropriate



framework which should apply to industrial relations. This includes effective information and consultation procedures which help to build a participation culture.

Social dialogue is a multifaceted process taking place at various levels which can range from structured collective bargaining to joint declarations, to shared guidelines, codes of conduct, to “softer” relations between social partners such as meetings where experience and information are shared.

Therefore, social dialogue has different meanings and approaches which differ from country to country, from region to region, from company to company, and can be adapted to different productive sectors in many different ways. This is its strength: flexibility in models and approaches means that there is “no best models of social dialogue” that can fit everyone and everywhere.

In this regard, social partners at all levels should adapt to changes in the economy and in the world, creating, where necessary, the right tools which can help the economy to recover from the economic and financial crisis.

Social dialogue at national level and company level should be empowered in this economic crisis taking into account that each country and each company has its own way of shaping industrial relations and has its own dynamics.

Therefore, with this review of the 2005 CSR Joint Statement the EU social partners recommend to consider its content through voluntary means and in full respect of national/company practices.

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