

A CAREER IN THE ROMANIAN BANKING SECTOR: OPPORTUNITY OR THREAT?

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Abstract. Due to the COVID-19 pandemic, a significant part of the activities carried out by the banking units is moved to the online environment. This fact automatically decreases the number of subsidiaries and, implicitly, generates the staff layoff. Also, this phenomenon affects the potential candidates for a position within a banking unit. Here, the most vulnerable category is students studying in the Department of Economics. One of the reasons they choose to enroll in a department with an economics major is the opportunity to work in the banking units. A survey was conducted to find out how economics students in Romania perceive these threats. A questionnaire was used as an instrument. Respondents (N=453) had the opportunity to express their intentions regarding career development in the banking sector, given the context created by the COVID-19 pandemic. The article concludes with the most representative findings on this research topic.

Key words: banking unit, career, COVID-19, students, survey.

JEL classification: G21, J60, C83

1. Introduction

The COVID-19 pandemic has led to changes in the behaviour of many people. Whether consumers, entrepreneurs, or workers, each category has been affected in different ways. An example in this regard is the adaptation of the way employees work, with some activities moving online. In Romania, the banking sector was one of the most active in this direction. The transition was also emphasized by certain decrees of the authorities, which encouraged the active use of e-banking services. One of the positive aspects of this whole transformation was the increased use of such services. According to Eurostat (2021), while Romania's use of the Internet for banking services was only 8 percent in 2019, it rose to 12 percent in 2020 (Eurostat, 2021).

Also, according to the National Bank of Romania, the number of active cards has recently increased. While in March 2020 there were at least 14,163,211 active cards, in March 2021 the number increased to 14,592,364 active cards, according to the same source (BNR, 2021). Using such means, citizens can also protect themselves from possible infection by the new coronavirus, as trips to bank headquarters or the nearest ATM become rarer.

Taking into account the statistical data presented above, it can be said that the Romanian banking system

is in continuous development. However, over time, these growth trends may encounter some constraints. One of them is the level of financial literacy among the users of banking services, in particular, and among the population, in general. According to a study published in 2020 (OECD, 2020), Romania scored the lowest among the Southeast European countries included in this sample (Figure 1). For the ranking, data were collected in the second half of 2019 (OECD, 2020).

Romania's percentage can be explained by the fact that "the country is still adapting to a capitalist economy and most of the adults grew up under a communist economy" (Căprioară et al., 2020, p. 121). Even if this explanation can be extended to other countries, which have had a similar history, Romania seems to be much slower in the process of adaptation. In addition, due to the non-participation of citizens in financial education programs, Romania has a small percentage compared to the other analyzed states (Drugă, 2021).

At the same time, the growth in the use of e-banking and card payment services may generate certain threats for various stakeholders. One of them may be a decrease in the number of bank branches and subsidiaries, which will automatically lead to a reduction in the number of employees in this sector. In the following two graphs it is possible to observe the dynamics of changes in the number of credit units and their employees in the period 2016–2020 (Figure 2 and Figure 3).

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According to the data presented in Fig. 2 and Fig. 3, it can be assumed that at least two categories of people will be affected in the coming years: current and future employees of banking units. Therefore, this paper aims to analyse the opinion of those who are in the position of being future employees in the banking sector. Here, in particular, are found the students of the faculties with an economic profile. If the transition to online becomes accelerated, facilitated by the effects of the COVID-19 pandemic, they will have to reorient themselves professionally due to a lack of opportunities. But do students similarly perceive things? To answer this question, a quantitative study

will be used, the instrument of which is a questionnaire. The research conclusions can open new horizons not only for the students included in the research sample but also for the representatives of the banking units.

2. Literature review

Having benefited from the change in their status from student to employee, people find themselves facing certain problems. One of them is the adoption of a new social identity (Loughnane et al., 2021). This refers, on the one hand, to the new groups of members and, on the other hand, to how they will

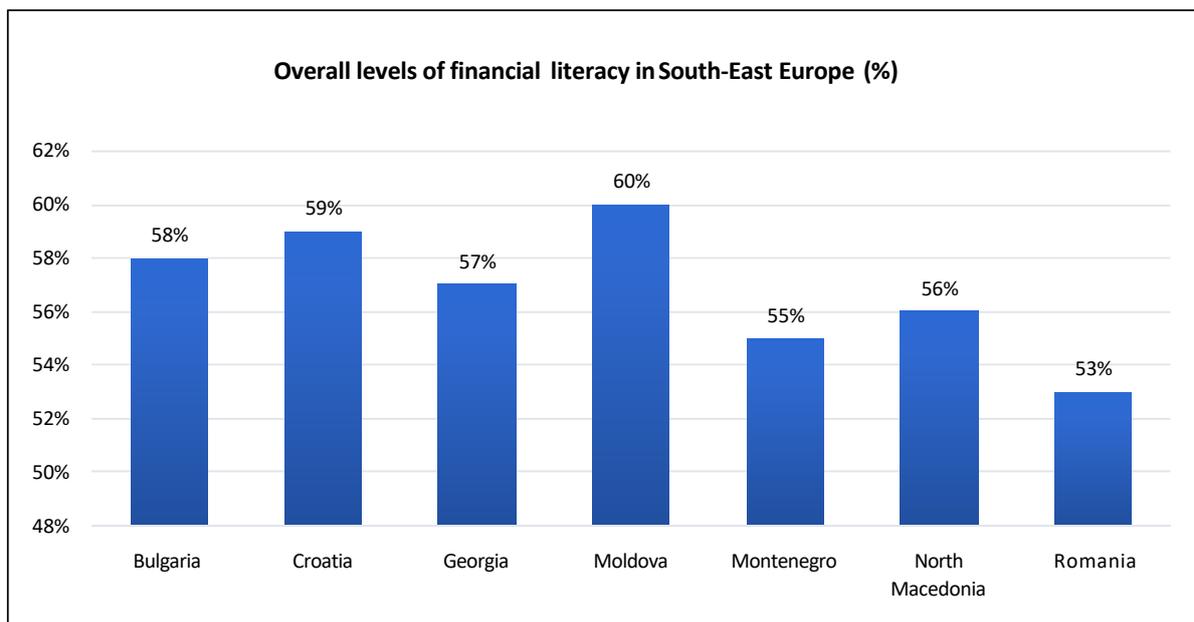


Figure 1. Overall levels of financial literacy in South-East Europe

Source: OECD (2020)

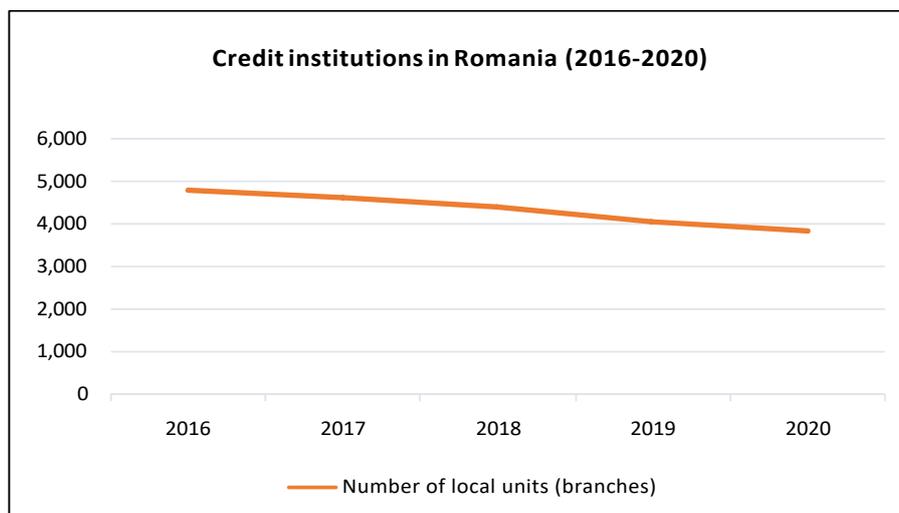


Figure 2. The number of credit units, in Romania, during 2016-2020

Source: own processing; European Central Bank data (2021)

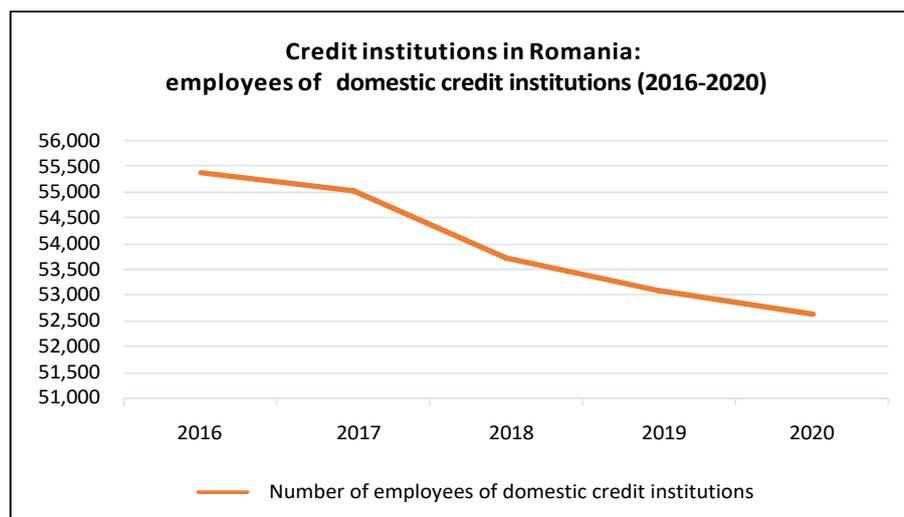


Figure 3. The number of employees in credit units, in Romania, during 2016-2020

Source: own processing; European Central Bank data (2021)

henceforth be perceived in relation to the new position they occupy in society.

In addition, another problem may be how the systems in which they will work will evolve. Some of the information they have learned in faculty may become irrelevant when they are in the job market. In such situations, graduates will be encouraged to participate in various training programs to keep up with the changes. The Romanian banking system is a case in point. For more than three decades, it has faced "a complex process of adaptation to an economic environment governed by technological innovation, which has led to significant changes in the range of financial services offered" (Ghiță-Mitrescu et al., 2019, p. 191). This dynamism may even lead to the creation of new jobs or the elimination of others.

According to Adhikari (2020), job satisfaction is "the mismatch between people's job-related expectations and desires and what is actually offered to them" (Adhikari, 2020, p. 59). In this case, the relevance of the research is no longer the factor that determined this level of satisfaction. This raises the question of employers' honesty about the conditions presented to candidates in interviews or in recruitment announcements. Disgruntled employees will be able to send messages that put the organization in a bad light. Thus, future candidates will be much more reluctant to apply for a position at such an institution.

Instead, when organizations care about enhancing the quality of work life, they can take advantage of the following: *increased productivity, improvement of the employees' morale and of their motivation to work, improvement of the workers' potential* (Thipsena et al., 2019). In this way, employees may want to continue working for the organization in question. In addition to the aforementioned opportunities, organizations will be

able to reduce certain costs associated with hiring new employees due to the security created by those currently employed.

3. Methods and Results

3.1. Research methodology

The purpose of this study was to determine how economics students from Romania perceive the effects of the COVID-19 pandemic related to career development in the banking sector. Thus, a questionnaire with at least 34 questions was developed. They dealt, on the one hand, with the respondent's profile and, on the other hand, with the purpose of the study. Closed- and open-ended questions were used. In addition, a 7-point Likert scale (from 1 – complete disagreement to 7 – complete agreement) was used for some questions. The questionnaire was distributed between March 15 and May 15, 2021, online and supported by student associations from major university centers around the country. A total of 453 questionnaires were collected. IBM SPSS Statistics software was used to analyze and process the data.

Participation in this study was voluntary and without restrictions, and all RGPD rules were followed.

The objectives of the study were as follows:

O₁: to identify the motivation of economics students to work in the banking unit.

O₂: identify the strengths and weaknesses of the Romanian banking system, from the perspective of economics students.

O₃: to identify the main opportunities and threats arising from the effects of the COVID-19 pandemic, in the view of economics students, with reference to the possibility of developing a career in the banking sector.

3.2. Sample structure

In Table 1 the main elements of the research sample can be identified.

Table 1
Sample structure

Variable	N	%	
Gender	male	36	7,9%
	female	417	92,1%
Age	18-24 years	381	84,1%
	25-34 years	60	13,2%
	35-44 years	9	2%
	45-54 years	3	0,7%
Area	urban	336	74,2%
	rural	117	25,8%
Marital status	married	33	7,3%
	unmarried	378	83,4%
	divorced	3	0,7%
	celibate	39	8,6%
Revenues	1-2.300 LEI	156	34,4%
	2.301-3.000 LEI	129	28,5%
	3.001-4.000 LEI	51	11,2%
	4.001-5.000 LEI	3	0,7%
	over 5.000 LEI	3	0,7%
	no income	111	24,5%
Study cycle	Bachelor	306	67,5%
	Master	138	30,5%
	Doctorate	9	2%

Source: own processing

As can be seen from the table above (Table 1), the majority of respondents were women (92.1%). In terms of age, the majority are between 18 and 24 years old (84.1%). In addition, 74.2% of the students surveyed are urban dwellers, and 83.4% are single. When it comes to average monthly income, 34.4% earn an income between 1 LEU and 2,300 LEI, and 28.5% earn between 2,301 LEI and 3,000 LEI.

The surveyed students came from nine university centres located in the following cities: Constanta

(64.1%), Cluj-Napoca (12.6%), Iasi (9.3%), Timisoara (6.6%), Bucharest (4%), Craiova (1.3%), Alba Iulia (0.7%), Brasov (0.7%) and Suceava (0.7%). 67.5% of them are enrolled in an undergraduate program.

The most representative fields of study are Finance (26.3%) and Business Administration (24.3%).

3.3. Results and discussion

Of the total number of respondents, only 35.1% are studying in their hometown, and 44.4% currently have jobs in various fields such as: financial consulting (29.9%), HORECA (14.9%), finance and banking (10.4%), and others. Of those who are working, only 47.8% want to keep their current job.

After graduation, most students will want to work in finance and banking (23.8%), consulting (17.2%), or start their own business as entrepreneurs (15.9%).

All respondents were asked to consider several items when they had to make a decision about choosing a particular job. A 7-point Likert scale with a range of 1 (complete disagreement) to 7 (complete agreement) was used. The results are presented in Table 2.

Analyzing the results of the previous table (Table 2), it can be concluded that, being in the situation of choosing a certain job, students put non-financial motivation in the first place. According to the literature, it represents "incentives for employees to work better, more efficiently, with pleasure, with satisfaction, without material incentives" (Micu, 2016, p. 255). Of all these reasons, the opportunity for career advancement provided by the respective economic unit is the one that respondents consider the most. This can create a state of happiness in the group (Micu and Necula, 2017), generated by employees' interest in standing out, collaborating with other colleagues, and taking advantage of as many learning and professional development opportunities as possible. The least significant reason was the opinion of the family. This indicates that students prefer to make

Table 2
Factors in choosing a job

Items	N	Mean	Median	Mode	SD	Min.	Max.
salary	453	5.82	6.00	6	1.388	1	7
social position	453	5.21	5.00	5	1.540	1	7
position held	453	5.50	6.00	6	1.537	1	7
family opinion	453	4.28	5.00	5	1.950	1	7
work schedule	453	5.96	7.00	7	1.637	1	7
responsibility	453	5.87	6.00	7	1.447	1	7
tasks complexity	453	5.70	6.00	6	1.405	1	7
team	453	5.81	6.00	7	1.608	1	7
interaction with the public	453	5.38	6.00	6	1.629	1	7
company reputation	453	5.64	6.00	7	1.518	1	7
possibility to advance in the career	453	6.13	7.00	7	1.472	1	7
considerations from the management of the unit	453	5.85	6.00	7	1.504	1	7

Source: own processing

this decision on their own, because the fate is only in their hands.

Since the banking system is a key element in the development of this study, respondents presented the strengths and weaknesses of this system. The information is presented in the following table:

Analyzing the results from Table 3, it turns out that some elements are considered to be both strengths and weaknesses. The most effective example is the communication process between bank employees and their clients. On the one hand, some consider it a strength because of the promptness with which they received a response to inquiries during the COVID-19 pandemic. Also, other respondents did not consider this communication to be very effective and considered it a weakness because the response to their requests was slower.

Given the aforementioned context of the COVID-19 pandemic, respondents were asked to provide their views on the online orientation of activities conducted by banking divisions. 62.9% of respondents saw this transition as an opportunity. Only 16.6% of respondents called it a threat, and 20.5% of respondents did not know what to answer or declined to answer. In Table 4 it is possible to analyze the main elements that classify the transition to online activities as an opportunity or a threat.

According to the information presented in Table 4, it appears that the Romanian banking system will become much more efficient, developing its activity

thanks to digitalization. At the same time, due to this phenomenon, some employees may lose their jobs. In addition, because of the decrease in the rate of interaction with the branch staff, the consumers may face difficulties in using the banking products and services. This last threat may be related to the level of financial education and the level of digital education among banking consumers. For this reason, employers should consider the results of the research and keep certain jobs to maintain consumer-employee relations. In this way, the threats presented by the respondents will be reduced. One suggestion in this regard could be the creation of online platforms through which consumers can interact with bank employees in a clear time frame. However, even if, according to one study, "online civic engagement only indirectly affects civic behavior" and "the positive impact of offline civic engagement on civic behavior is much stronger" (Zait et al., 2017, pp. 220-221), by using such a platform, some of the uncertainty consumers have about using banking products and services can be reduced. Another advantage of such a tool could be that other consumers who have encountered this problem or know how to avoid it could respond to inquiries. Thus, online civic engagement can be a key element in orienting banking units toward the electronic environment. At the same time, to support the opportunities presented by respondents, consumers could be encouraged to use mobile apps for those transactions that do not require much intellectual effort.

Table 3
Strengths and weaknesses of the Romanian banking system

Strengths (%)	Weaknesses (%)
- diversified offerings (34.4%)	- security and/or safety of transactions (26.5%)
- communication with customers (12.6%)	- the level of commissions and interest (21.9%)
- online orientation (11.3%)	- current legislation (9.3%)
- quality of employees (10.5%)	- waiting time at the counter desk (8.6%)
- location of subsidiaries and branches (5.3%)	- communication with customers (6.6%)
- conditions for obtaining credit (4%)	- quality of employees (5.3%)
- I don't know/ I don't answer (21.9%)	- the amount of information available on the Internet (2.6%)
	- competition (2%)
	- I don't know/ I don't answer (17.2%)

Source: own processing

Table 4
Opportunities and threats for the Romanian banking system as it transitions to an online environment

Opportunities (%)	Threats (%)
- streamlining banking services (34.7%)	
- development of the banking system (26.3%)	
- reducing the waiting time at the counter desk of banking units (17.8%)	- lack of interaction between employees and customers (44%)
- no trips to unit headquarters (7.4%)	- the disappearance of certain jobs (24%)
- lower costs for the banking system (7.4%)	- lack of digital skills among consumers (24%)
- much easier to access information (3.2%)	- security of the information received/provided (8%)
- creation of new specific jobs (3.2%)	

Source: own processing

Considering the above, 84.1% of the surveyed students are ready to try to find a job in a bank after graduation. Among the most popular reasons for such a career: the opportunity to acquire new skills (28.3%), job security (14.2%), passion for this field (13.4%), its popularity (12.6%) or the specifics of training (12.6%). Only 3.1% of respondents cited salary level as a reason. The explanation for this could be the position they currently occupy, which is that of a student. The status they will have after graduation will automatically give them the opportunity to get a well-paying job, which will also provide them with some financial security (Brannelly et al., 2011).

People who do not want to develop a career in banking indicated the following reasons: lack of attractiveness of this field (83.2%), previous experience (4.2%), lack of guarantees (4.2%), salary (4.2%) and the specifics of training (4.2%).

Last but not least, in terms of developing a career in banking with the digitalization trend in mind, 56.3% of respondents believe that this context presents an opportunity for them. Among the reasons they cite are: the activities performed will be much more efficient (38.8%); it will be possible to work from home (29.4%); the online environment represents a new dimension of the banking system (22.4%); the quality of workers will improve because employers will need certain specific skills (7.1%); and there will be an opportunity to create new jobs adapted to the new environment (2.3%).

In addition, if they decide to pursue a career in banking, 18.5% of the students surveyed believe that digitalization will be a threat to them. The main reasons for this are: reduced customer interaction, which would slow down the banking division (32.1%); collaboration with colleagues would become more difficult (28.6%); some jobs would be eliminated (21.4%); young people would have fewer job opportunities due to lack of experience (14.3%); and poorly developed digital skills (3.6%).

4. Testing hypotheses

A number of statistical hypotheses were formulated and subsequently tested:

H₀₁: There is a statistically significant relations between the gender of respondents and whether they are considering a career in banking in their current context.

The Chi-square test for independence showed a significant relation between respondents' gender and their consideration of a career in banking in their current context, $X^2(2, N = 453) = 11.512, p = .003$.

H₀₂: There is a statistically significant relations between the place of residence of respondents and their consideration of career development in the banking sector in the current context.

The Chi-Square test for independence showed no significant relations between respondents' place of residence and whether they would consider a career in banking in their current context, $X^2(2, N = 453) = 3.935, p = .140$.

H₀₃: There is a statistically significant relationship between the professional status of respondents and their consideration of the possibility of career development in the banking sector in the current context.

The Chi-square test for independence showed a significant relations between the professional status of respondents and their consideration of career development in the banking sector in the current context, $X^2(2, N = 453) = 43.679, p = .000$.

5. Conclusions

Taking into account the goals of this study, established at the beginning of the analysis, it is possible to say the following:

- among the reasons students want to work in banking, given the environment in which digitalization of operations will intensify, are the following: the opportunity to learn new skills and the security provided by the specific nature of the job;
- according to economics students from Romania, the diversified offer is the most representative strength of the banking system; at the same time, its weaknesses are the level of security and reliability of transactions, as well as the level of fees and interest;
- for economics students from Romania, developing a career in the banking sector as a result of the effects caused by the COVID-19 pandemic could be an opportunity, since the activities would be much more efficient and, in addition, they would have a chance to perform their domestic responsibilities;
- at the same time, for economics students from Romania, career development in the banking sector could be at risk; given the effects caused by the COVID-19 pandemic, interactions with clients will decrease, collaboration with other colleagues will be more difficult, and finally, some jobs will disappear forever.

In addition to the above, it was found that the efficiency of services is the biggest opportunity that will benefit the banking system in Romania, due to the orientation of the activity towards the online environment. Automatically, this will lead to an improvement in the system. To achieve this, however, it is necessary to synchronize the requirements of employees with what employers can provide.

In addition, service efficiency will have to be maintained by the atmosphere within the banking unit, such as: "employees must be happy, and managers must be able to maintain a state of contentment, satisfaction, happiness at work through specific skills" (Micu and Necula, 2017, pp. 421). Thus, even if there

are certain restrictions for some employees to carry out various procedures or perform certain duties, through connection with other colleagues everything can be overcome much easier.

According to the data collected, another advantage of online orientation may be to gain certain advantages from a financial point of view. For example, banking divisions will be able to reduce certain costs for building maintenance, rent or staff salaries. This money can then be invested either in financial education programs aimed at consumers or in improving networks and IT infrastructure. In this way, the security of online transactions can be improved, leading to an increase in the use of e-banking services. Training programs can also be developed for employees to learn how to use new digital software and equipment. Thus, the aforementioned idea regarding the state of mind in banking departments can be further supported.

At the same time, the interest of Romanian companies to improve the skills of their employees can be confirmed (Antohei et al., 2012).

Given the statistics presented in the introduction, there are fewer and fewer opportunities for economics students from Romania to develop careers in the Romanian banking sector. It is true that new jobs can be created due to digitalization, but not enough to cover all the needs of the market. Moreover, an important prerequisite for new jobs to be highly effective is that they must be filled by highly qualified and dedicated people. For this to happen, universities should also adapt their curricula and programs to the new trends. The solution can be represented by entering into partnerships with institutions active in the employment field to provide a direct and strong link between theory and practice, taking into account, of course, the openness of students.

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