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Current results: Empirical evaluation of the risk of burnout among professionals working in the financial sector

Abstract

A world that is becoming ever faster, driven by globalisation and digital networking, creates a feeling of being overwhelmed for many people. The aim of the present work in its actual status quo is to enable a more detailed interpretation of the expected and unexpected effects of burnout – especially in the financial sector. This is because the financial sector is often associated with high levels of workload and performance pressure, and can accordingly be a breeding ground for burnout. This paper uses an analysis of existing literature through literature research to manifest a current scientific status and serve as a basis for subsequent quantitative and qualitative follow-up studies.

Keywords

Burnout, economic costs, financial sector, mental illness

JEL classification

E24, H51, I15, I31

Introduction

The term burnout, whose scientific basis and origin of the term comes from, among other things, reactor technology and the medical field, acquires its current meaning, which is well known to the general public, primarily from the accumulation of symptoms such as emotional exhaustion, depersonalisation and reduced personal performance (Maslach, 1976). In principle, however, it is difficult to give a generally valid definition of the clinical picture of burnout, as the existing concretisations are too general or, in contrast, too specific explanations and a uniform definition of occupational burnout could not be defined for a long time (Guseva et al., 2020; Maslach, 1982).

Due to the hardship of an unambiguous definition, in colloquial language there is often an equation with an excess of stress and burnout (Hillert & Marwitz, 2006). The term cannot be used synonymously for work stress, fatigue, alienation or depression (Iacovides et al., 2003).

Nevertheless, psychosocial stress, for example, is an important driver of burnout (Von Känel, 2006). Especially the financial industries seem to be closely interwoven with a high workload, which can end in burnout.

Therefore, this scientific project should give insights and a more detailed interpretation of the expected and unexpected effects of burnout with focus on the financial sector. This is conducted by analysing existing scientific studies through literature research, the results could afterwards serve as a basis for quantitative and qualitative consequential studies.

1 Burnout and the financial sector

This research project is particularly dealing with the evaluation of the risk of burnout among professionals working in the financial sector. Finally, it is a matter of making assumptions from the research results as to how employees, particularly from the financial sector, can behave preventively. For example, the aim is to reduce the long-term sickness-related absences of these people and thus, from the perspective of the companies concerned, reduce costs (Schweifer-Winkler, 2013). This includes, for example, fluctuation-related costs such as severance payments, early retirement or absences from work, which can be reduced by early detection of burnout and appropriate countermeasures. Reduced work performance or increased error rates may also be prevented (Burisch, 2003).

First of all, it is important to describe how the financial sector can be defined as such and thus to develop appropriate framework conditions.

Containment of the financial sector, areas of responsibility and challenges

There is often no clear reference to a unified definition of the financial sector on which this term is based. So, this economic sector is frequently equated with the banking sector. In a broader definition, however, the financial sector includes not only banks and insurance companies but also pension and investment funds and other financial service providers, such as credit card companies (Hemmelgarn, 2011).

With transfer to the field of activity of the financial services, it can be said that these include of the subsequent offerings (Eurostat European Commission, 2013):

- a) financial intermediation (containing insurance and pension services);
- b) financial auxiliary services; and
- c) different other types of financial services.

Financial intermediation is the provision of financial risks and the transformation of liquidity. Organisations involved in these operations receive money by taking deposits and creating bills, bonds, and other securities, for example. These resources, as well as their own, are used by businesses to purchase financial assets by making loans to others and acquiring bills, bonds, or other securities. Insurance and pension services are examples of financial intermediation. Risk management and liquidity conversion are aided by auxiliary financial activities. Financial auxiliaries function on purpose of other divisions and do not expose themselves to financial liabilities or financial assets as element of an intermediation service. Other financial services involve stock and bond market analysis, security services such as preserving valuable jewellery and sensitive papers, and trading services such as foreign exchange trading and stocks trading. Because of the strict oversight of those services, financial companies provide practically entirely of them. For example, if a merchant wants to give credit to its consumers, the loan is normally provided by a financial company affiliate of the retailer or some other specialized financial institution (Eurostat European Commission, 2013).

In view of the past decade and the accompanying changes in the financial sector, this industry faces challenges, particularly as a result of emerging crises as the great financial crisis in the late 2000s or the Corona pandemic. For example, it has to be adapted, especially due to business models that are partly geared to short-term profits, and further consolidation in the market is to be expected. However, the author of this dissertation wants to mention, that there is hope that the multitude of reforms in the area of financial supervision and regulation could positively change the stability and efficiency of the market.

The following additional challenges for the financial sector can be identified as a result of constant change, particularly due to technological development. So, for example, Blockchain technology, which is still in its infancy and faces technological, economic, and regulatory complications, has the potential to transform many elements of the financial services sector and the wider economy. Furthermore, new methods of transferring money and risk are evolving, acting as a driver for shift for established financial sector organisations. These technologies have the potential to boost automation within organisations while also broadening financial access. Nevertheless, the technology's social and technological infrastructure remains severely undeveloped. If it is to live up to any of its promises, it must solve several technological problems, including productivity, scalability, confidentiality, protection, interoperability, and governance (Casey et al., 2018).

Burnout risk in the work environment and the financial sector

In order to provide a subsequent link between burnout and the financial sector, it is first helpful to focus on the assessment of the risk of burnout among employees overall on the basis of the following figures. In this regard, an increased risk can be observed among them. In general, a study of Banerjee et al. (2017) with over 700 participants from 41 European countries came to the conclusion that, for example, 71 percent of European oncologists, in example cancer doctors, show clear signs of burnout even at the age of up to 40. Country-specific distinctions could also be made in this regard. For example, the burnout rate of the respondents was significantly higher in Central Europe, at 84 percent, than in the northern parts of Europe, at 52 percent. Depersonalization, for example, also found a clear differentiation between male and female participants. Thus, at 60 percent, significantly more men were subject to this factor than women at 45 percent. In addition, the young age group of 26 to 30-year-olds in particular suffered from reduced performance due to possible burnout symptoms. The MBI measuring instrument used for this purpose was extended by additional questions on working methods and lifestyle factors (Banerjee et al., 2017).

With a particular focus on the financial sector, similar results as mentioned above were recorded among bankers. For example, in a study of participants under 30 with at least five to seven years of work experience, 67 percent of both male and female respondents said they go to the office even when they feel sick. Similarly, 76 percent of participants confirmed that their workload has increased significantly during the past few years, and 38 percent of men as well as 30 percent of women also take work home with them from time to time, thus shifting professional activity to leisure time. Furthermore, slightly more than half (52 percent) of the respondents answered that they know people from their professional or private environment who have been affected by burnout. It is also more significant that 10 percent of the participants answered in the affirmative to the question about their own experience of burnout syndrome, and thus describe themselves as having been burned out at some time in their lives when they were under 30 years old. Another 10 percent of the women and 5 percent of the men also suspect burnout in themselves (Brunner & Andersen, 2005). Although it is not possible to diagnose a definite illness by means of a simple anonymous survey, the results, due to their unambiguousness and the subjects' own assessment, give a tendency that burnout is present even in a young section of the population. In general, Dias and Angélico (2018) identified in comparison of fourteen studies on burnout syndrome in bank employees that

individuals who worked forty hours or more a week and had immediate contact with clients were the most impacted by the disease.

Subsequent and additional to this, Dursun and Aytac (2014) mention, that the service industry could be seen as one of the fastest expanding economic sectors. However, for workers in this industry, the high amount of client engagement may be the source of unfavourable outcomes such as hostility of customers, which can have serious consequences for an individual's health and safety. Whereas employees in nearly every industry are at danger of being subjected to hostile conduct, the risk is substantially higher for those in this sector. In the banking area, the high amount of engagement with consumers increases the danger of exposure to aggressive attitude for personnel in this field. As a result, according to the findings of Dursun and Aytac (2014), verbal abuse significantly enhanced the emotional exhaustion and depersonalization levels of bank employees and therefore the risk of suffering a burnout.

Another example from the financial industry is credit analysts, who are individuals engaged by an organization to assess the creditworthiness of current and potential customers. Job burnout, as example, might be one factor influencing carelessness while analysing a credit application. Moreover, a significant number of debtors and credit applications might raise workload and job burnout for analysts. Research from Damayanti (2019) found out, that significant work engagement between workers and their jobs can reduce occupational exhaustion. Work engagement might be viewed in this sense as a situation in which employees find it simpler to manage work relationships and stress on the job. So, it is all about having good thinking and enthusiasm, determination, and absorption.

Furthermore, research from Guo (2020) investigated the health, psychological contract, and job burnout of company managers from various industries, as well as their correlation. The findings revealed, for example, that the directors of companies from the financial, commerce and manufacturing area had comparatively poor mental health. Aside from a general reciprocal promotion link of organisation executives' mental health and psychological contract situation, the study discovered that the level of mental wellbeing and occupational burnout, as well as the level of psychological contract and job burnout, were mutually limiting.

Job stress as a critical influencing factor in financial sectors

In order to have a better understanding of burnout risk in the financial industry, it is worthwhile to look at studies that examined workplace stress and burnout in the banking industry, among other things, as an additional element of examination. The aims of research from Khattak et al.

(2011), for example, were to detect the stress and burnout among bank personnel caused by changing working practices, fast expansion, globalization, and liberalisation. The findings confirmed what one may assume intuitively in terms of the causes creating stress and leading to burnouts. As a result, unfavourable attitudes about the volume of work, prolonged operating hours, technical issues at work, inadequate pay, insufficient time for family, and employment anxieties at home are important stressors in banks. It is important to keep in mind that the primary source of stress is the job, as well as the synchronization of family and work life. The majority of employees appear to be influenced by the excessive workload and the lengthening of working hours. The extended work schedule prevents them from relaxing, adequately caring for their family, and enjoying time with them. The results suggest that the employer should investigate these stressors, which might have major long-term consequences for the banking industry. The findings indicate that these possible causes of stress are contributing to burnout. Long days at work cause excessive exhaustion and backache, resulting in physical burnout among banking industry personnel. Following that, the extended working hours take them away from their families and social lives throughout the day. Moreover, bankers' jobs include constant connection with consumers and statistics. These variables generate emotional tiredness in banking industry personnel, resulting in headaches and sleep disturbances. As a consequence, these stress factors contribute to psychological burnout in bankers. In general, the nature of the job in the banking industry has a substantial impact on workplace stress and burnout. Negative attitudes regarding the organisation's structure, job aspects, work relationships, and the family-work interface are all possible origins of stress for bank workers (Khattak et al., 2011).

According to the research from Khattak et al. (2011), there is a considerable positive association between all factors of stress and each type of burnout. As a result, it is apparent that increased stress in the banking industry will result in a higher degree of burnout. All stress factors except work environment are indicators of burnout; nevertheless, in the banking industry, job, family, and work interface are the key determinants of burnout.

Changing market variables drive stress

In conclusion, there arises the question of why today's workplace in the financial sector, and by way of representation the banking environment, seems to be a major source of stress for employees in general. Globalization and the new economy have resulted in substantial changes in work structure and operation. Several signs of this evolution can be found in the banking sector, including mass layoffs, acquisitions and collapses, digital technology,

outsourcing, business re-engineering with reduced hierarchical levels, job uncertainty, increased contention due to the entry of more private banks, and multifunctional responsibilities. According to recent studies, these symptoms are associated with high levels of stress among bank personnel (Petarli et al., 2015, Neelamegam & Asrafi, 2010, Giorgi et al., 2017). The needs of labour in the banking industry necessitate continual amendment and upgrading of abilities, as well as training, to keep up with new forms of work organisation, and this element may be a cause of additional stress (Giga & Hoel, 2003). Thus, it can be said that in the banking sector, and by extension in the financial sector, stress is a major factor that can act as an influence or trigger of burnout, as mentioned above.

As a result of the aforementioned factors, it is possible to assume that banking sector employees, and hence related to the financial industry, are under stress, regardless of their job description. As a consequence, decreasing employee workload through suitable division of labour or expanding the amount of workers is critical. The stress caused by overwork can be lessened if banking work is done in shifts. Employees' technological difficulties at work appear to be the result of the absence of training, therefore communication technology practices might be advised. Ultimately, inadequate income tension requires an acceptable wage structure, and to resolve stress produced by a shortage of available time for family and job issues at home, hours worked, and job demand must be examined (Khattak et al., 2011).

In summary, it can be seen that burnout can have a variety of personal as well as external influences, but the one thing that unites them is that it usually involves an individual at risk under dangerous environmental conditions. However, it is significant that this disease does not occur exclusively in people who have spent many years in the profession, but does not even shy away from relatively young workers. Thus, it is all the more necessary to have a correct and early diagnosis, as well as an effective and individually tailored method of treatment.

2 Methodological approach

The main methodology used in this paper has been literature review and an analysis of existing scientific burnout studies.

The literature search is the search for scientific literature on the corresponding topic. In the process, reference is made to existing scientific information. Since new keywords have to be researched again throughout the writing process, the literature investigation runs through the entire writing process. For the present literature research, two methods were basically used in order to be able to benefit from both approaches. The unsystematic literature search

is suitable for an overview of a topic. The systematic literature search could be utilised in parallel and as a supplement to search for specific literature. In the non-systematic literature search approach, bibliographies of other works are examined to find literature on the topic to be worked on. A relevant source is searched for and its literature references are analysed for other suitable references. The sources found in this way are then examined for further relevant literature. With the help of a systematic literature search, all relevant publications can be filtered out of a large number of scientific publications. In this method, search terms were determined, a literature review was conducted, search results were analysed, a literature selection was made, and a documentation was prepared.

Subsequent follow-up studies to this paper, which aim to examine possible further approaches by means of data to be collected, can make use of quantitative and qualitative methods. A possible quantitative methodology aims to analyse the influence of burnout on companies operating in the financial sector via a questionnaire. Furthermore, another qualitative study creates an interview questionnaire to collect further additional data.

Conclusion

The aim of the present work in its actual status quo is to enable a more detailed interpretation of the expected and unexpected effects of burnout through literature review – especially in the financial sector. Further information and insights will hopefully be found after the empirical part of the addressed work can be completed in subsequent quantitative and qualitative studies. What can be said at this stage is that due to the hardship of an unambiguous definition, in colloquial language there is often an equation with an excess of stress and burnout

Furthermore, especially the financial industries seem to be closely interwoven with a high workload, which can end in burnout. In view of the past decade and the accompanying changes in the financial sector, this industry faces challenges, particularly as a result of emerging crises as the great financial crisis in the late 2000s or the Corona pandemic.

So, challenges for the financial sector can be identified as a result of constant change, particularly due to technological development.

Moreover, findings confirmed what one may assume intuitively in terms of the causes creating stress and leading to burnouts. As a result, unfavourable attitudes about the volume of work, prolonged operating hours, technical issues at work, inadequate pay, insufficient time for family, and employment anxieties at home are important stressors in banks.

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