



Coping with compliance

Experiences from 2021

Nordic Financial Unions

April 2021

Prepared by
Cand. Scient. Pol, MBD Jonas Kold Dyrbye
Ph.d., Cand. Merc. SOL Steffen Löfvall
cph:learning



About NFU	3
Introductory remarks	3
1.0 - Introduction	3
1.1 - Method	4
2.0 - Compliance 2018-2021	6
2.1 - Increased documentation	6
2018 experience	6
2021 experience	7
2.2 - Conflicts of interest	8
2018 experience	8
2021 experience	8
2.3 - Customer reactions to KYC	9
2018 experience	9
2021 experience	10
2.4 - Increased stress level	11
2018 experience	11
2021 experience	12
2.5 - Summary	14
3.0 - Coping strategies	15
3.1 - Coping strategy: "Within working hours" ("Work to rule")	15
3.2 - Coping strategy: "Longer working hours"	15
3.3 - Coping strategy: "Digitalisation as a help"	16
3.4 - Coping strategy: "Digitalisation as a challenge"	17
4.0 - Perspectives	18
4.1 - Strengthening trust	18
4.2 - Better links between performance and compliance	18
4.3 - A balanced workload	19
Annex	20
Interview guide - Coping with compliance 2021	20

About NFU

NFU represents 125 000 employees in the banking and insurance sector in the Nordic region. NFU's mission is to build cooperation among Nordic financial trade unions and promote their interests in Europe. Through a high level of competence and dialogue, NFU contributes to a sustainable financial sector, fundamental for job creation and long-term economic development. NFU strives to make the financial sectors prosper in a way that is sustainable for employees, companies, consumers and societies. This is done through influencing regulation, framework conditions and business strategies that support job creation, economic growth, gender equality and diversity. One of the key areas of interest during recent years has been the increased burden of regulation combined with performance measurement systems. Both legislation and management play an important part in setting the framework for how finance sector employees carry out their work. As shown in the NFU studies "Coping with Compliance" (2018) and "Do you measure up?" (2016), regulatory requirements and performance measurements systems risk increasing the pressure in the sector.

Introductory remarks

This is a follow-up report to the 2018 report *Coping with Compliance – The effects of regulatory requirements on employees in the Nordic financial sector*. The aim of this project has been to see the developments in Compliance work and its effects on employees throughout the last three years.

This report has been conducted by the CHP Learning on behalf of the Nordic Financial Unions. The researchers for the project have been Jonas Kold Dhyrbye and Steffen Löfvall.

Compared to the large quantitative study that was the 2018 report, this report is a qualitative study where a smaller group of informants has been interviewed. This will give less room for larger generalisations but instead a more in-depth analysis of coping mechanisms and by that shed new light on the issue.

1.0 - Introduction

The NFU has decided to conduct a qualitative follow-up to the 2018 report *Coping with Compliance - the effects of regulatory requirements on employees in the Nordic financial sector*. The report describes how regulatory requirements affect the working conditions of employees working in sales and advisory functions in Nordic financial institutions.

The analysis addresses the organisational effects of EU legislative requirements regarding documentation, consumer product information and Know-Your-Customer (KYC) obligations. The requirements specify, in different ways, specific work routines and tasks that employees must follow and perform in their day-to-day work. The analysis was conducted as a questionnaire survey among elected officials from NFU member unions. The 215 union respondents represent just over 35,000 employees in the Nordic financial sectors.

The purpose of the 2021 analysis is to revisit 2018 report, letting new informants assess its trends and conclusions on the impact of compliance on tasks, work processes and well-being. In particular, the follow-up focuses on:

1. Experiences with the volume of documentation
2. Experiences with conflicts of interest between good customer service and compliance requirements
3. Experiences with customer responses to KYC-related issues
4. Experiences with stress related to compliance.

1.1 - Method

The analysis is based on 11 individual video interviews of 40-60 minutes' duration. The interviews reveal finance employees' experiences of the 2018 report's trends and generalised conclusions regarding the impact of compliance-related tasks on employees' performance and well-being.

The NFU was responsible for recruiting participants based on country and sector affiliation. The targeted breakdown between sectors and countries was as follows:

	DK	SE	NO	IS	FI
Informant (bank)	2.	2.	2.	1.	2.
Informant (insurance)	1.	1.	1.	-	1.

11 of the 14 invited informants contributed data to the study. Interviews were conducted as video interviews via MS Teams in January and February 2021. The interviews were conducted in English, except for the Danish ones which were conducted in Danish. The interviews were recorded and then transcribed for the purpose of documenting the data collection, text analysis and use of quotations in the report.

The interviews were structured according to an interview guide with four main topics:

1. Opening questions
2. Validation and reflection on main findings 2018
3. Coping strategy
4. Compliance in the future.

The data gathered forms the basis for the report's two sub-analyses, conclusions and perspectives. As the data is inherently limited, there are reservations about drawing unambiguous, generalising conclusions across informants, sub-sectors and countries.

However, similarities and differences in informants' experiences can be attributed to their sector and country affiliation. The similarities and patterns are discussed in the sub-analyses below.

Similar to the 2018 analysis, insurance and banking employees perceive the extent of documentation and guidelines differently, with bank employees seemingly having to comply with a more demanding and comprehensive set of rules than insurance employees. In the view of the interviewees, while all sub-sectors are exposed to attempted financial crime, money laundering, terrorist financing, tax and VAT fraud are more difficult in the insurance sector, meaning that compliance needs and risks are different. Hence, the regulatory framework is experienced as more comprehensive in banking.

Furthermore, national differences are detected in how informants perceive the value of KYC-related procedures. In smaller countries such as Iceland, the amount of EU regulations needing to be implemented locally is seen as a challenge to maintaining a previously relatively informal and trust-based customer relationship. One explanation is that relationships based primarily on personal knowledge and trust have probably contributed to a higher-risk lending policy in the past, while the new European compliance-related laws and regulations of the last decade are gradually tightening things up.

2.0 - Compliance 2018-2021

The purpose of the benchmark analysis is to shed light on how informants perceive the impact of compliance in 2021 compared to other informants' experiences in 2018.

The analysis is structured to reflect the four main topics and conclusions from the 2018 survey. The four topics are:

1. Increased documentation
2. Conflicts of interest: Customer service vs. compliance
3. Customer reactions to KYC issues
4. Increased stress levels.

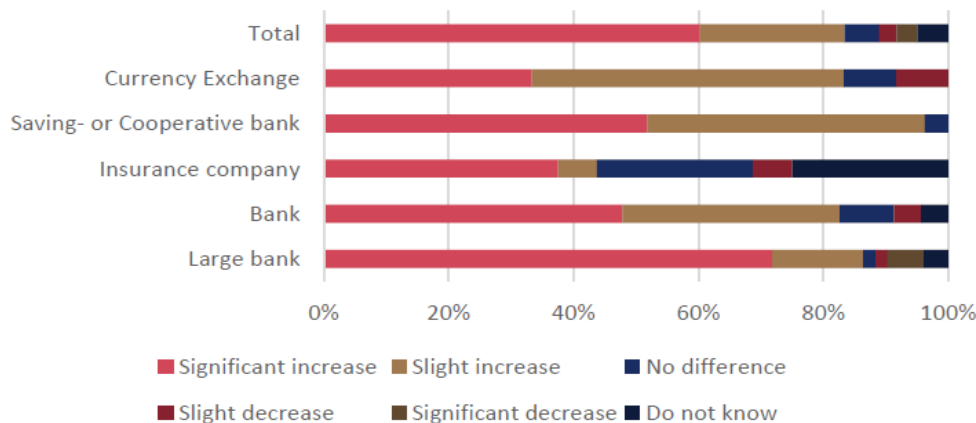
2.1 - Increased documentation

2018 experience

In the 2018 survey, one of the key topics was to explore the impact of changes in documentation, information and KYC requirements on workloads. At that time, just over 80% of informants felt that their workload had increased slightly or significantly as a result of the increased requirements. 65% also stated that employees in the Nordic financial sector usually spent 1-3 hours per day on documentation.

One of the conclusions was the big difference between banks and insurance companies, with insurance employees experiencing to a much lesser extent the increased documentation requirements. The overall picture in 2018 was that increased documentation requirements were increasing overall workloads.

CHANGE IN THE AMOUNT OF DOCUMENTATION REQUIREMENTS DURING THE PAST 2 YEARS



Source: Coping with compliance 2018 - The effects of regulatory requirements on employees in the Nordic financial sectors, p.19

2021 experience

Compared to 2018, informants in 2021 painted a more varied picture of how compliance was affecting workloads. Some still reported increased documentation requirements and a greater workload as a consequence of more guidelines in their day-to-day work, as seen in the following statements:

"I would say in general the workload has increased for everyone, and for some people in particular, but for everyone."

"When I was accounting in the bank and was responsible for capital adequacy reporting we had about 10 pages of rules – Now it is 1000's of pages."

"I can recognise that, it has increased. Even from the 2018 to nowadays, for these 3 years, it has also increased more. So, it was a bit easier in 2018, but I think it's now harder, because there have come more regulations for that. Or documentation."

Common to those experiencing an increased workload was that it was impacting customer relationships. Employees working in sales and consulting were often measured on various parameters, such as the number of customer meetings, cross-selling, time spent per customer, customer satisfaction, etc. One key experience was that increased documentation requirements had no knock-on effect on, among other things, sales targets. These remained unchanged, putting pressure on employees.

"It shows in everyday work, we are seeing less customers, because of the compliance things."

"Absolutely, and the difficulty in my case is that I have the same pressure about how many meetings you should have, and so on, and then because of the amount of paperwork, the time is not enough, and it loads up much pressure to the employee."

However, other informants felt that documentation requirements were now less onerous, as digitalisation and automation were making it easier for both employees and customers to complete the necessary paperwork. Furthermore, the informants considered it positive when managers and other parts of the organisation understood the problems experienced by employees in their day-to-day work and tried to mitigate them through further automation.

"Partly it is an upgoing curve, partly we have tools to help."

"A lot of effort is being put into making things as easy as possible for us. Processes are becoming more and more automated, for example with customers now able to submit input directly."

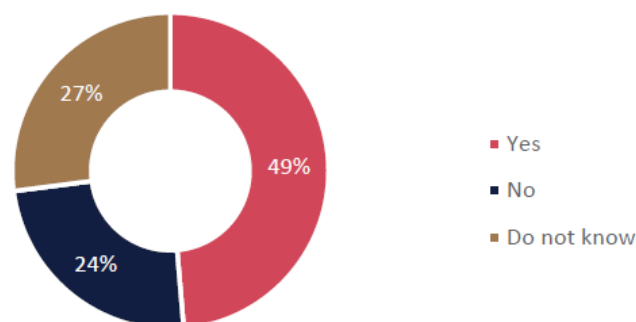
"I definitely think that it is a task that needs to be taken care of at a very high management level, as it is not something for advisors to sit down and solve. To me, it is a question of trying to balance something that is incredibly difficult in everyday life, because you know you have to document and retrieve information, but on the other hand you also have to do all your other work. So, I kind of feel this should be a management task."

2.2 - Conflicts of interest

2018 experience

Another key topic of the 2018 survey was whether informants experienced conflicts of interest in working with compliance rules and procedures. In 2018, 49% of informants experienced a conflict between good customer service and adhering to compliance rules and procedures. A key finding was that this was a serious concern, not only from a work environment and well-being perspective, but also when considering the consequences for customers when not receiving the right advice.

CONFLICT OF INTEREST BETWEEN PROVIDING GOOD CUSTOMER SERVICE AND FOLLOWING RULES AND PROCEDURES



Source: Coping with compliance 2018 - The effects of regulatory requirements on employees in the Nordic financial sectors, p. 32

2021 experience

In 2021, several informants experienced a dilemma between understanding customers properly and giving them flexible advice, and the strict interpretation of rules and compliance with them. Informants spoke of being flexible in certain situations, bending the rules and getting selected cases processed and approved faster. Customers saw this as good service. In other situations, the rules were followed to the letter, though this was perceived by customers as cumbersome and time-consuming. Whichever strategy the advisor opted for, it put him in a bad position and required unsatisfactory compromises in day-to-day life.

"I think there is a little bit of conflict about this. Yeah, because you want to help, but you can't because of the rules."

"999 out of 1000 advisors, they are there to give the customer a good experience and do the best for the customer. They don't want, you could say, to misguide the customer... I certainly often felt that I had to make compromises in my advice because there were all these things I had to document and send to the customer and explain myself out of."

"Yes. There's no doubt that it detracts from the time available to advise customers in depth."

There was widespread agreement among informants that customers had generally developed a greater understanding of the need for compliance, including KYC procedures, as the procedures helped improve safety. Acceptance was partly due to customers' awareness of the major Nordic cases of identity theft, money laundering and other forms of financial crime. Acceptance helped reduce the conflict of interest between compliance and good customer service.

KYC requirements contributed to shaping a relationship of trust between employees and customers. With more customer data at their disposal, employees were able to provide good advice, as long as customers also felt that they were being protected by the compliance officer.

"I don't think it is affecting customer relations. I don't think so, because I think it's better to follow up things, and if you have it documented you can get a reminder and everything. It does not affect the customer. I think you have a better conversation with the company if you know more about them."

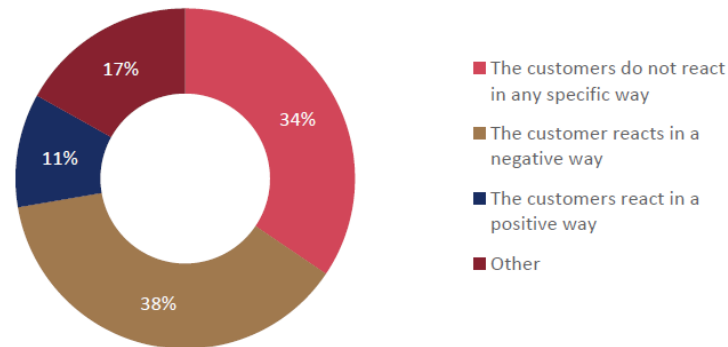
"It's that I think it just becomes part of it - part of the flow"

2.3 - Customer reactions to KYC

2018 experience

A third topic of the 2018 survey was to explore customer reactions to KYC-related issues. In 2018, 38% of informants experienced customers reacting negatively to KYC-related issues. This was manifested in different ways. 39% responded that customers sometimes objected strongly to staff asking them KYC-related questions, while 16% said they had experienced threatening language from some customers, raising concerns about whether and how employees' health and safety were being ensured in the workplace.

CUSTOMERS' REACTION TO QUESTIONS RELATED TO KNOW YOUR CUSTOMER REQUIREMENTS



Source: Coping with compliance 2018 - The effects of regulatory requirements on employees in the Nordic financial sectors, p. 45

2021 experience

Compared to 2018, there has been a change in how customers respond to KYC-related issues. Overall, participants experienced fewer negative customer reactions, observing that customers had a widespread understanding of the need for KYC and that they had become accustomed to KYC issues being the 'new normal'. Informants also pointed out that the changed image was possibly due to media stories about identity theft, money laundering and other financial crimes.

"I think it is decreasing. Not necessarily because the people like it, but just because they have got used to it."

"AML cases has come to the media and I think most people understand now that the bank has to ask these questions."

"If you're talking about KYC or AML, it doesn't affect us much, because my customers understand that we just have to do this."

"KYC - today, if you're a new customer, I can send one link, and it takes you about 3 minutes to open an account, and you also answer these questions you have to read. And then you have to sign electronically with your phone."

Another explanation was that there had been changes in the way employees talked about KYC and other compliance issues when dealing with customers. Some informants were successful in following up written documentation requirements through a phone call asking the customer for help in completing the forms. This gave the feeling that the employee and customer were 'in the same boat', sharing the common concern to get the various necessary things done. This in turn increased acceptance for KYC and ultimately improved customer satisfaction.

"This is about how we talk to our customers. Because I think we've all had that experience that when you send out a form to a customer and ask them to fill it in, you get customers saying 'look, I've been a customer of yours for 30 years, what's this... why are you sending me this?' But it's all to do with how you put it. If instead I call up a customer and say listen, I need this filled in, can you help me?"

"I think you can talk your way out of most things. Of course, part of good customer service is that it should be fast, but that's why I think a lot is about reaching agreement with customers about when they can expect to hear from me."

A third explanation was that changed KYC practices had increased individual customer awareness, ensuring a more informed and open dialogue benefiting both employee and customer.

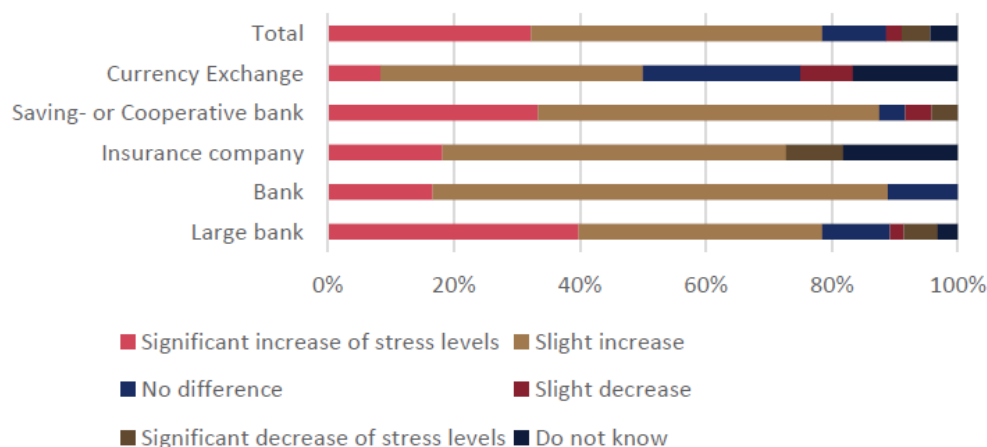
"No, I don't think that way, because nowadays we know our customers better, we know their needs better, and we can also discuss more openly, because this is so confidential."

2.4 - Increased stress level

2018 experience

A fourth topic of the 2018 survey was to examine how changes in documentation requirements affected stress levels among informants. In 2018, 78% of informants responded that documentation requirements increased stress levels. Another key finding was that 68% of informants were aware of one or more colleagues being pressured to meet customers despite having no time or resources, painting an overall picture of high stress levels among finance employees.

EFFECTS OF DOCUMENTATION REQUIREMENTS ON STRESS LEVELS



Source: Coping with compliance 2018 - The effects of regulatory requirements on employees in the Nordic financial sectors, p. 35

2021 experience

In 2021, several informants experienced stress at work. Work pressure was high and stress could occur as a consequence of the combination of high and unchanging performance demands and more and more guidelines.

Workloads meant that more people had to skip breaks and/or work in the evenings and at weekends. The informants considered the situation unsatisfactory, but a necessary compensation for the increased work pressure. In addition, the informants believed that the quality of advice was deteriorating, partly because insufficient time was available for each customer, and partly because the advice itself was sometimes too superficial.

Finally, more and more people were giving less priority to staying abreast with the latest internal compliance measures. This was particularly true among those informants responsible for integrating new compliance guidelines into work routines and organising their own compliance training via training videos.

“The stress level is how you are reaching your targets, your goals, how much do you need to sell, products, or other things, how we are everyday under the scope; do we do what we are supposed to do, do we deliver what we are supposed to deliver.”

“... I don't go on Facebook and online when I'm at work, I don't read the news, I don't take my coffee breaks, I don't use all the education I could get from the bank, because I put ... the customer first, and I just have to priorities the customer, yes. That's at least how I do it, I choose.”

“For example, now I’m just being personal, for me, when I worked there, every morning I took all the papers from each part of the country, and I read the news to see what was going on, so I could be more qualified in my job. But I don’t have time for this now, and just that, for me, is not acceptable.”

Conversely, other informants felt that overtime was not necessarily a major problem as long as it did not get out of hand. They did not believe that their stress levels were increasing, pointing out that more integrated compliance-related work routines through automation were, all things considered, bringing down work pressure and stress levels. Some also mentioned that digital meetings were efficient and indirectly helped reduce workloads.

“We’d sometimes sit down together for a meal here in the evening, for example, to discuss some of the administrative tasks that are difficult to deal with during the day, because that’s when you want to talk to your customers. So, we’d say, ok, we’ll put in a couple of hours in the evening. The bank will allow us to put it down as overtime, so we get paid for it. But that would give us the chance to just get over this hump.”

“On the other hand, the banks are able to use self-service procedures. So, the employees know to a bigger degree, that things are taken care of. That brings the stress level down.”

“Yeah, because if you have to have a customer in front of you, I think, you get more stressed. Instead, you have to just fill out the form, and say what information you have to give, and sign it online. I think it is more stressless.”

2.5 - Summary

The 2021 analysis showed that compliance would continue to be a challenge for staff performance and well-being in 2021. Informants could identify with the key findings of the 2018 survey. At the same time, the 2021 analysis showed that conditions had improved from 2018 to 2021.

Increased documentation

Participants still have to cope with high documentation requirements and a heavy workload as a consequence of the implementation of EU legislative requirements regarding documentation, product information and KYC. Increased documentation requirements must be understood in the context of the other business requirements and targets set at the same time. As targets have remained unchanged, the overall workload has increased.

Other informants stated that documentation requirements now took up relatively less time than in 2018, attributing this, at least partially, to further digitalisation and automation.

Conflicts of interest

Participants acknowledged the conflict of interest between good customer service and the need for compliance, describing it as an unsatisfactory compromise that had to be dealt with in day-to-day work. At the same time, there was widespread consensus that customers had generally developed a greater understanding of the need for compliance and that the various measures were helping create greater security for all parties. Acceptance was partly due to customers' being aware of major individual cases of identity theft, money laundering and other forms of financial crime. Customer understanding helped reduce the conflict of interest between compliance and good customer service.

Customer reactions to KYC

There has been a fundamental change in how participants experience customer reactions to KYC issues. Overall, participants were experiencing a lower level of negative customer reactions, as customers now had a greater understanding of the need for KYC and had become accustomed to it being the 'new normal'. This was partly because major media stories about identity theft, money laundering and fraud had attracted a lot of attention, highlighting the importance of security.

Increased stress level

Work pressure and stress levels remained high in 2021 as a consequence of compliance-related tasks combined with unchanged performance requirements. Employees were coping through skipping breaks and/or working evenings and weekends. For some, work-related stress was the consequence.

Conversely, other participants felt that stress levels had decreased in recent years. They pointed out that more integrated compliance work routines and a reduced workload due to increased digitalisation and automation of work processes were bringing stress levels down.

3.0 - Coping strategies

Two coping strategies stand out in the data. The first is about how work is organised in busy times, while the second is about how the ongoing digitisation and automation of compliance work are perceived and embraced. While the data naturally reveals further coping strategies, these two are the most prominent.

3.1 - Coping strategy: "Within working hours" ("Work to rule")

Several informants saw compliance as a "necessary evil", viewing it as part of the sector's ongoing evolution. Having experienced many changes during their careers,

several informants chose to deal with the challenges by prioritising the tasks that can be achieved within working hours, with 'the rest having to wait'. In their view, it was up to management to prioritise work tasks and resolve any conflicts of interest. They expected their line manager to allocate work to the best of his/her ability and to assume the management responsibilities that naturally went with prioritisation.

This coping strategy seems to ensure that informants are less stressed when new initiatives are introduced or when it is difficult to achieve the agreed sales targets and KPIs, viewing such issues as the responsibility of management.

This does not mean that informants do not experience inconsistencies or challenges with increased workload. If they experience too great a mismatch between working conditions and their personal work-life balance, one possible consequence is for them to consider leaving the sector, either taking early retirement or moving to another job with – hopefully – less pressure.

"I certainly think this is something for which management needs to assume responsibility, because it's not something that staff should try and solve. To me, it's a question of trying to balance something that is insanely difficult in everyday life. So, I kind of feel it should be a management task. I also feel that it is basically up to management - the banks' top management - perhaps hand in hand with the Finance Union, to say to politicians: "well, listen, the responsibility that we have been given is disproportionate to what we have to achieve, so we need to look at other ways of achieving a balance."

3.2 - Coping strategy: "Longer working hours"

Several informants generally had very busy working days. It was not just that the daily workload had increased due to more compliance-related tasks. A further factor was the extensive overall task portfolio due to the many tasks combined with a myriad of KPIs and performance requirements.

These informants chose to deal with the challenges through working more, skipping breaks during working hours and catching up in the evenings and/or at weekends. Some informants saw such pressure as “belonging to the job”. Highly responsible, they participated in both the prioritisation and execution of tasks with colleagues and immediate superiors. 'Being together with others for something bigger than oneself' and being able to contribute to the company's and customer's goals characterise their mindset and approach to work. For such employees, 'solving tasks and reaching goals with others' is an essential motivating factor.

" I don't see it as a problem that the responsibility lies with us. We are the ones who talk to the customers, so I think it's natural that it's up to us."

"We've focused a lot here on the fact that we're in the same bank, so we should be able to help each other whether we're in the front line or in the back office. Because, at the end of the day, that's the recipe for a good customer experience."

"In the event of any big surge in work, we'll just set aside a whole day to get everything done. And otherwise, we try to get all the routine work done, giving us the time we need to talk to the customer."

For others, the coping strategy was more an expression of a daily survival strategy. They found that having to work more than what was stated in the job description had become a necessary part of everyday life. They took on responsibility, solving problems as they came. Whatever the motive, they found the workload unsatisfactory. They basically wanted a change, even if the solution was not obvious. The same wish was seen among informants using the "Within working hours" coping strategy.

3.3 - Coping strategy: "Digitalisation as a help"

Nordic financial institutions differ in their adoption and use of new technologies.

Several informants seemed to have a positive view of what future digital solutions held in store, finding that digitisation and automation have made it easier to handle new compliance requirements. They also found that automated processes were perceived positively by customers. In their view, it was motivating to see cumbersome work processes simplified and speeded up by new technology, especially as this had a positive impact on customer relations.

At the same time, informants perceived that there was management support for making work smarter through digitalisation and automation, as reflected for example in its understanding and prioritisation of the development of new digital initiatives facilitating compliance work.

"It is easier to do it now, because you can sign it online, and we can get the information from the government, if it is similar, so it is easier than it was before, because you had to fill out a lot of paperwork, but now it's easier."

"A lot of work is being done to make things as easy as possible for us. Processes are becoming more and more automated, also for customers who can now submit input directly."

3.4 - Coping strategy: "Digitalisation as a challenge"

Other informants saw the widespread digitalisation and automation as signalling danger. In their view, automation, changing job requirements, cheaper foreign labour and increasing skills requirements could lead to job losses. At the same time, they saw the increased competition from new digital entrants as challenging the sector's traditional business models and earning opportunities, in turn driving the acceleration of organisational efficiency.

They highlighted a disadvantage associated with the digitalisation and automation of customer processes, stating that personal service was an essential part of a good customer experience, not to be replaced by 'computers and robots'.

However, technology development is a 'sine qua non' throughout the sector, and depending on the individual employee's life and work situation, one can choose to 'go with the flow' or opt out'. Those 'going with the flow' use skills development and training as a response to change, making the most of the training opportunities available in the sector. Those 'opting out' leave the sector in search for jobs where their skills can be applied and where digitalisation and automation may not be as widespread or applied in a different way.

"I think that's just the beginning, and you know the fintech will come into the market, and they will take something from these old, big banks at some point at least."

"People and customers need personal advice, they need the personal touch, and this value proposition, that, the computers and robots cannot give them."

"Yes, it will, and also, we won't have so many customers, anymore, to serve because they are serving themselves."

4.0 - Perspectives

Building on the survey findings, the report concludes with three cross-cutting perspectives. They relate to (1) ways to strengthen institutionalised trust in the sector and customer relations, (2) finding the right balance between performance requirements, compliance and workload, and (3) balancing different workload expectations.

4.1 - Strengthening trust

As a natural extension of informants' reflections on the control aspect inherent in the documentation requirements, the link between customer relations, control and trust is touched upon. At the macro level, trust is essential for the work and future of the sector, just as trust is important in working relationships between employees and customers. Generally speaking, a high level of trust between everyone concerned leads to lower transaction costs in terms of fewer assessments, inspections and contracts related to financial relations. Media reports on identity theft, money laundering and other forms of financial crime have generated negative publicity for the sector, challenging the otherwise high level of institutionalised trust in and of the sector. This has naturally had knock-on effects in terms of more compliance staff, controls and business requirements.

The extra control effort and the mandatory information base on customer behaviour are not necessarily to be perceived and articulated as an expression of general distrust towards customers. Instead, they can be used as a lever to develop and deepen a more trust-based customer relations agenda. Nordic customers are now used to and accept KYC as part of the 'new normal'. According to the informants, despite the problems involved in obtaining various bits of information, customers feel that KYC creates greater consumer safety for all sides. Staff have a broader customer data base, allowing them to provide qualified and open advice on a more informed basis.

4.2 - Better links between performance and compliance

Compliance is not the only cause of workload and stress. Work-related stress needs to be seen in the context of other working conditions such as the work environment, an individual's self-management ability and increased performance demands. Although high performance requirements are a natural part of most employees' working conditions in Nordic financial institutions, performance and compliance can be better balanced, for instance through management paying more attention to aligning compliance requirements, business processes and performance targets. Looking to the future, performance targets should take better account of compliance requirements.

Furthermore, balance can be improved by focusing on actively involving employees at an early stage in the design of robust compliance systems, procedures and implementation processes. While it would seem obvious to involve frontline staff with knowledge of service

and customer relations in such design processes, the informants pointed to shortcomings in the level of involvement.

4.3 - A balanced workload

It was clear that the informants had a clear perception of the large amount of work they had to get through each day, replicating the findings of the 2018 survey. This calls into question whether and how the Nordic financial institutions can work towards a better balance among employees with an excessive workload and experiencing work-related stress.

In addition to taking joint responsibility and setting work priorities in collaboration with immediate managers and in work teams, it can be beneficial to understand the balance in relation to how employees identify themselves with their work. Financial professionals have different attitudes, expectations and coping strategies regarding workload, just as their paths to achieving the right work-life balance also differ.

'Work-to-rule' staff often manage stress by referring to local agreements and working time rules. If they have to perform non-routine tasks, they typically require the work and responsibility to be delegated by the immediate manager. Such tasks are thus often completed the next day or by reallocation within the team.

'Go-get-it' employees thrive on a high degree of self-management and responsibility. They tend to individualise and manage stress by investing more time in the job, for example taking work home. They are motivated through new and more tasks and through achieving the set targets.

One contribution to a balanced workload can be for management to pay attention to developing a work culture allowing for both 'work-to-rule' and 'go-get-it' employees. This in turn requires a management approach that accepts, legitimises and cultivates diversity in staff work identification.

Annex

Interview guide - Coping with compliance 2021

Research Question: What are the experiences with compliance requirements in the finance sector?

Research Question: What are the conflicts of interest for finance sector employees between the compliance requirements, reaching company targets and ensuring strong consumer protection?

Introduction

Welcome

- We would like to welcome you to this interview.
- The interview is a part of a NFU study. The study is a qualitative follow-up analysis on the report “Coping with Compliance” from 2018. The scope is to investigate the organizational consequences of EU-legislation in the Nordic banking and insurance sectors.
- We are extremely pleased that you could make it, and we really appreciate that you have taken your time to help us to improve regulation and working conditions.

Purpose

- Our goal with this interview is to gain knowledge of the challenges that you face when implementing the legislation and the effect of the legislation on the employees' work and consumers.

Interview principles

- Your input is extremely valuable to us. So, we encourage you to be as frank and honest as possible. There are no wrong answers.
- We have prepared some questions divided into 4 themes 1) opening questions, 2) validation and reflection on main findings 2018, 3) coping strategy 4) compliance in the future
- The interview will however be semi-structured, so we do not have to stick strictly to the guide.
- We will be recording during the interview. This material will be anonymized and transcribed and then deleted.
- On behalf of NFU the interviews are conducted by CEO Ph.d. Steffen Löfvall, and senior consultant Cand. Scient. Pol, MBD, Jonas Kold Dhyrbye from the consultancy company cph:learning.

Theme 1: Opening Questions

Aim: To get the participant talking and to acquire information about the participant

1. Could you please introduce yourself and tell me a little about your role?
 - a. What is your name?
 - b. What company do you work for?
 - c. What do you do?
 - d. Who are your customers?

2. Could you please tell me about your work day
 - a. How would you describe your work day?
 - b. How would you describe your customer relationships?
 - c. How do you experience EU-legislation, compliance requirements (e.g. AML, KYC) affects your work day and customer relationships?
 - d. How do you gain knowledge about (new) compliance initiatives?
 - e. Do you experience conflicts of interest for finance sector employees between the compliance requirements, reaching company targets and ensuring strong consumer protection?

Theme 2: Validation and reflection on main 2018 findings

Aim: I will introduce to you the main 2018 findings and I want to ask you some questions about validation and reflections on the 2018 findings (showcased as slide via teams and/or e-mail)

2. Can you recognize this picture? Why/why not?

Main findings slide 1:

- a) 80 % think that the workload has increased. The workload has grown at the cost of the customers
- b) 49 % experience a conflict of interest between compliance and providing good customer service
- c) 38 % say customers react in a negative way to KYC questions
- d) 78 % state that documentation Requirements have increased employees stress level

Theme 3: Coping strategy

Aim: In this part of the interview, I will ask you some questions how you cope with compliance in your workday EG your opportunities of influence. Other follow-up questions may be asked as-well.

1. How have you experienced the role of compliance within your organization/the sector?
 - a. How has this changed over time?

2. In your daily work, you must, on the one hand, meet targets and goals set out by the management, and on the other hand, comply with requirements such as documentation, information to consumers and know your customer/KYC. **How does this impact you in your daily work?**
 - a. How do you prioritize? Why?

3. Several new regulatory requirements have recently been implemented in the financial sector on documentation, information to consumers and KYC. **How do you experience that these regulations have changed your daily work?**
 - a. Do you experience that the regulations are consistent with each other and with internal rules and procedures?

4. The regulatory requirements are connected with administrative work that follow each customer meeting/interaction. **How do you deal with maintaining the quality of advice and service and following rules and procedures?**
 - a. How do you prioritize? Why?
 - b. What is the reaction of the customers?
 - c. How does the management support you?

5. The main purpose of the legislators for introducing these regulations on European financial market was to improve consumer protection. **Where do you see the strengths and weaknesses of the current requirements in relation to consumer protection?**
 - a. Is there room for improvement?
6. The regulatory requirements put a lot of responsibility on individual employees just as yourself to comply with the regulation. **In what ways do you think this affects the decisions that you take when performing your tasks?**
 - a. Has this affected your willingness/ability to provide sound advice?
 - b. How does the management support you in this?

Theme 4 Future Compliance

Aim: In this final theme of the interview, I will ask you some questions on how you see the possible coping strategies with future compliance, also on which initiatives could help compliance requirements to be integrated in customer related activities

1. How do you think the future compliance requirements will affect your work, role and function?
2. Which initiatives will be preferable to deal with the challenges of future compliance?
 - a. At what level (e.g., branch, company, cross-nationally)?
3. Who will be responsible for those initiatives (e.g., workers, managers, HR, unions)?

Rounding off the interview

1. Is there anything else you want to add to our conversation?
2. Are there any aspects to the compliance requirements you think we have missed?

Thank you for your valuable input - we appreciate your time.

When the study is over, we will be happy to send the final report to you.