

## The Deloitte Talent in Banking Survey 2014 South Africa in Focus

Banking has been a consistently popular career choice among South African business students<sup>1</sup> over recent years, and has not suffered the reputational challenges faced in the countries worst hit by the 2008 global financial crisis.

### About the Research

This report is based on the Universum Talent Survey 2014. Universum has been researching students' career intentions since 1988. In 2013-14, it surveyed about 700,000 students and professionals drawn from around 2,000 universities and institutions of higher education in 36 markets.

Deloitte examined the survey results from 174,000 business students in the 31 markets most relevant to banking: in the Americas, Brazil, Canada, Mexico and the US; in APAC, Australia, China, Hong Kong, India, Indonesia, Japan and Singapore; and in EMEA, Austria, Belgium, the Czech Republic, Denmark, France, Germany, Ireland, Italy, Middle East (defined by Universum as Egypt, Lebanon, Kuwait, Qatar and Saudi Arabia), the Netherlands, Norway, Poland, Russia, South Africa, Spain, Sweden, Switzerland, Turkey, the UAE and the UK. The number of markets included in global and regional averages varies between 24 and 31.

Figure 1. Student demographics, South Africa, 2014

	All business students	Banking-inclined students	Investment banking-inclined students
Female	56.3%	53.7%	36.3%
Male	43.7%	46.3%	63.7%
Number of students	11,315	3,381	247
Average age	26.0	23.7	24.5

Source: Universum Talent Survey 2014; Deloitte analysis

South African banks have been among the most innovative in the world, especially in their use of technology. They will be pleased to know that students recognise this. "Innovation" was the most popular word association for students who were shown a list of banks and asked the first thing that came to mind. Nowhere else in the 28 countries surveyed for this report did innovation feature in the same way.

### Public sector on top

The public sector has retained its position as the most popular employment sector overall, although the most desirable individual employers are predominantly private sector organisations. (See Figure 2.)

### Banking below its peak

Banks have increased slightly in popularity compared to last year, but are below their 2010 peak.

### Mining dips

Fewer business students chose miners as their "ideal employer"<sup>2</sup> than in 2013. The mining industry is only their fifth-most popular sector, and well behind the leading sectors. This is probably due to the recent disturbances in the industry, which has experienced several strikes in the past two years.

### Investment banking male-dominated

Among banking-inclined students<sup>3</sup> in South Africa, 53.7 per cent were women, but 63.7 per cent of investment banking-inclined students were men. (See Figure 1.)

### Desire to innovate

"To be entrepreneurial or creative/innovative" ranks much higher as a career goal among South African business students and banking-inclined students than it does for their counterparts in most other EMEA markets.

### Training valued more than money

Remuneration-related factors did not feature among the job attributes that banking-inclined students most want an employer to provide. (See Figure 6.) "Professional training and development", "leaders who will support my development", and "ethical standards" ranked much higher. South Africa was the only one of the 14 EMEA markets analysed countries surveyed in which ethics appears in the top ten desirable job attributes.

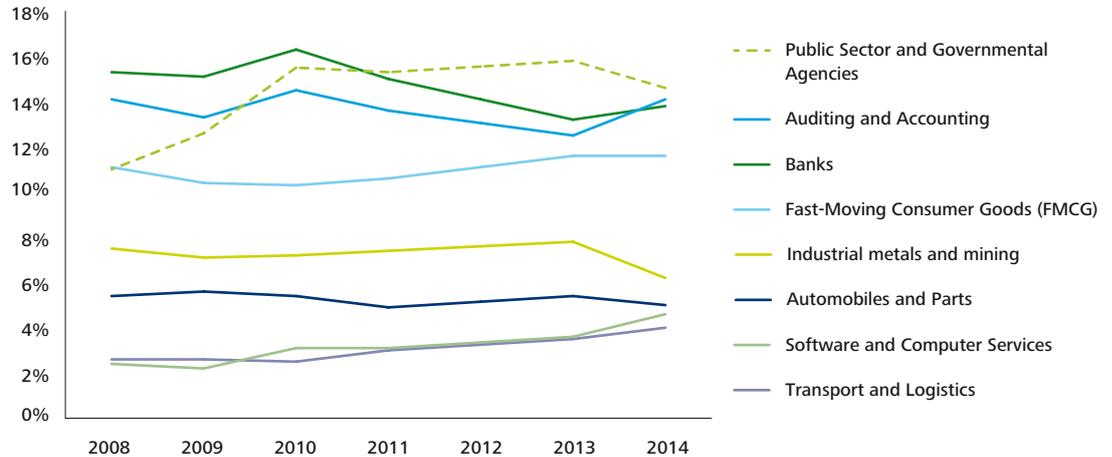
<sup>1</sup> Students studying business-related subjects.

<sup>2</sup> Business students were presented with a list of employers from a range of sectors. They chose an unlimited list of companies for which they might consider working. Next they narrowed the choice to a maximum of five "ideal employers".

<sup>3</sup> "Banking-inclined students" are a subset who put at least one bank in their top five "ideal employers".

## Banking faces tough competition

Figure 2. Industry popularity among South African business students, 2008 to 2014



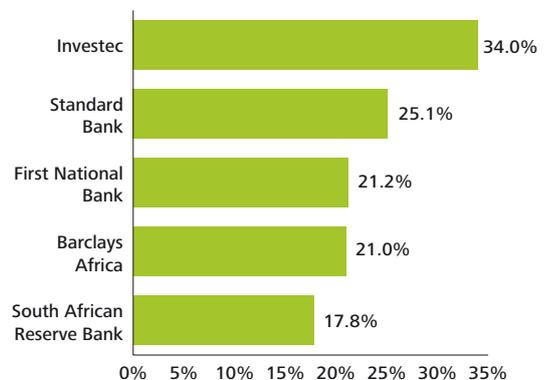
Source: Universum Talent Survey 2014; Deloitte analysis  
See Appendix for survey questions

What is striking about the preferences of South African business students is the closeness in popularity between the top four sectors, with just three percentage points between them.

Software and computer services, which is in the top six most popular sectors in every other of the 14 EMEA markets analysed, does not feature as high in South Africa -- or at least, not yet. In almost every other EMEA market, Google is one of the top three employers that students most want to work for, and in eight of the 14 EMEA markets analysed it is the most popular "ideal employer". Anecdotal evidence in many of these countries is that banks are struggling particularly hard to recruit IT specialists, who would prefer to work for high-tech companies, but among South African business students, Google is 11th in the "ideal employer" rankings (up from 12th a year ago).

The public sector, currently the most popular sector for business students, has been in second or third place at other times in recent years. However, the SA Reserve Bank, which is classified as a public sector body rather than a bank in the survey, is the second-most popular "ideal employer" among business students in South Africa.

Figure 3. Top five most popular employers, South African banking-inclined students, 2014



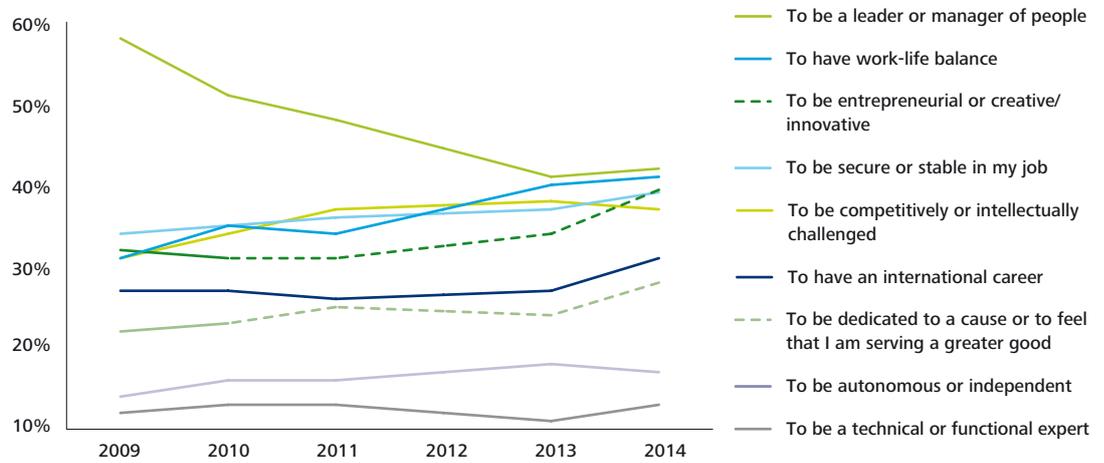
Source: Universum Talent Survey 2014; Deloitte analysis  
See Appendix for survey questions

## The gender balance

South African investment banks are clearly missing out on a significant pool of potential talent by failing to appeal to women. Women account for 56.3 per cent of business students in South Africa, but only 36.3 per cent of investment banking-inclined students.

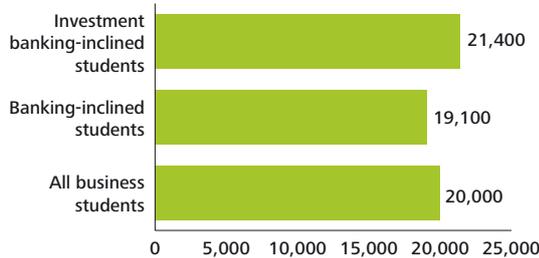
**Varied career goals, but innovation ranks high**

**Figure 4. Career goals of South African banking-inclined students, 2009 to 2014**



Source: Universum Talent Survey 2014; Deloitte analysis  
See Appendix for survey questions

**Figure 5. Expected annual salary (EUR), South African students, 2014**



Source: Universum Talent Survey 2014; Deloitte analysis  
See Appendix for survey questions

Students were asked to pick their top three career goals from nine choices. South African banking-inclined students made a more diverse selection than their counterparts in many other countries, where there tends to be a strong preference for two or three career goals above the rest.

In South Africa five of the nine possible goals received broadly similar ratings. (See Figure 4.) Three of these are typical of banking-inclined students everywhere: “to be a leader or manager of people”, “to be competitively or intellectually challenged” and “to have work-life balance”.

The two other high scoring goals related to job security and entrepreneurialism or innovation. Given high levels of unemployment, the importance of job security is understandable. The desire to be entrepreneurial or innovative may reflect a desire to build the ‘new South Africa’.

### Students value training and workplace culture above pay

Deloitte looked at what banking-inclined students most want from their employer and what they most associate with banks. Comparing their aspirations and expectations shows where they coincide or diverge and offers interesting insights to employers.

Students were asked to choose up to 12 attributes, out of a total of 40, that they most sought for their five shortlisted “ideal employers”. The ten attributes that scored most highly for banking-inclined students are shown in the green bars in Figure 6 – “aspirations”.

Deloitte extracted the extent to which banking-inclined students expected to find each of these top ten aspirations in their shortlisted “ideal” banks. Each blue bar represents the proportion of banking-inclined students who expect to find this attribute at the bank(s) that appears on their shortlist of five “ideal employers”.

Please note that because the number of aspirations students can choose is capped at 12, while the expectations are uncapped up to 40, the proportions of students expecting a particular attribute is likely to be higher than those recording an aspiration for that attribute.

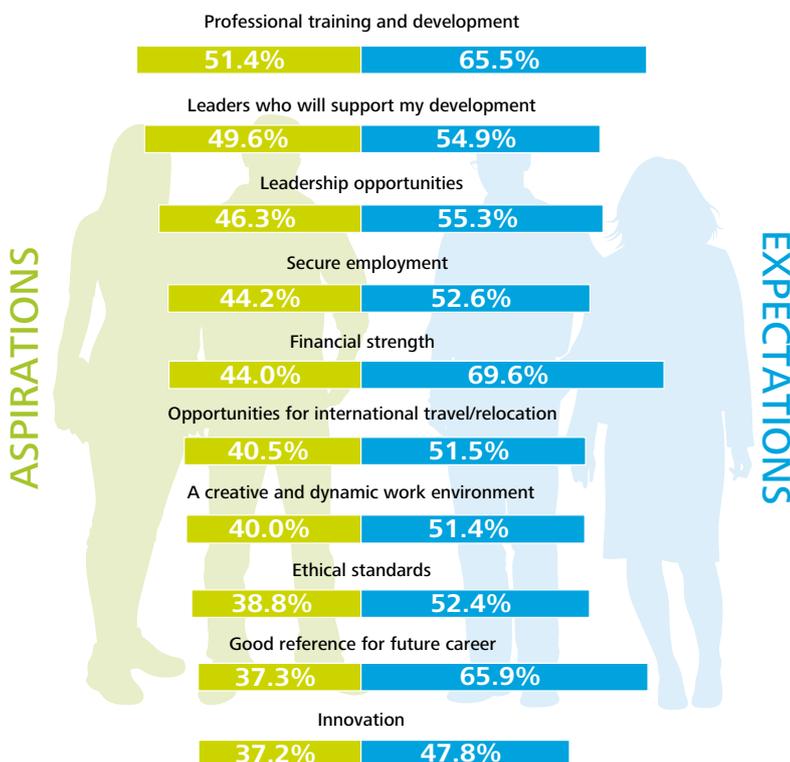
A half of banking-inclined students chose “professional training and development” and “leaders who will support my development” among their top goals. This is similar to many other countries.

However, among the top ten most-wanted job attributes of South African banking-inclined students, none are remuneration-related. In ten of the fourteen countries examined for this research, at least one remuneration-related attribute featured in the top ten. This is consistent with the fact that salary expectations for banking-inclined students in South Africa are lower (by 4.2 per cent) than for business students in general. (This is the only EMEA market analysed in the survey, except for Poland, where this is the case.)

By contrast, South African banking-inclined students strongly associate banks with pay. “High future earnings”, “competitive base salary” and “competitive benefits” all feature among the ten job attributes they most expect from banking. For banks it may be illuminating to see the low priority that banking-inclined students give to these, compared to non-remuneration factors.

It is also interesting that almost 40 per cent of South African banking-inclined students chose “ethical standards” as one of the attributes they most want from an employer. Nowhere else among the 14 EMEA markets in the analysis do ethics make the top ten list.

Figure 6. South African banking-inclined students’ aspirations versus expectations, 2014

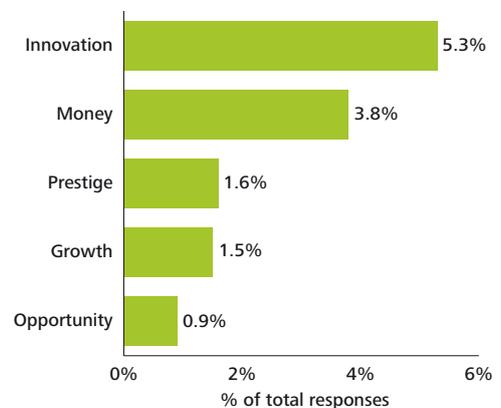


Source: Universum Talent Survey 2014; Deloitte analysis  
See Appendix for survey questions

### Word play

Students were shown a list of banks and asked to say the first word that came to their mind. The results show the very strong association of banks with innovation.

Figure 7. Top words associated with banking, South African banking-inclined students, 2014



Source: Universum Talent Survey 2014; Deloitte analysis  
See Appendix for survey questions

# Appendix

## **Note to Figure 2**

Survey question: “Choose the five employers you most want to work for [from the list of employers you would consider working for], your five ideal employers”. Industry popularity by market is calculated as the number of times employers from that industry are short-listed among the five “ideal employers” in each market.

## **Note to Figure 3**

Survey question: “Choose the five employers you most want to work for [from the list of employers you would consider working for], your five ideal employers”.

## **Note to Figure 4**

Survey question: “Below is a list of nine possible career goals. Which are most important to you? Please select a maximum of 3 alternatives”. Importance of goals is then calculated as the percentage of students choosing each career goal on their shortlist of top three goals.

## **Note to Figure 5**

Survey question: “What is your expected salary before tax at your first employment after graduation, excluding commission and bonus?”

## **Note to Figure 6**

Percentages are based on answers to the following survey questions. Aspirations – “Which of these are most important to you? Please select a maximum of three alternatives [in each of the following four categories: Employer Reputation and Image; Job Characteristics; People and Culture; and Remuneration and Advancement Opportunities].” Expectations – “Which of the following [40 attributes] do you associate with your chosen employer(s)?”

## **Note to Figure 7**

Survey question: “What is the first word that comes to mind when you think of these employers?”

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