

The Deloitte Talent in Banking Survey 2014 Germany in Focus

Even before the collapse of Lehman Brothers sparked global financial turmoil, banking in Europe's strongest economy faced stiff competition for talent from consultancies, consumer goods companies and car makers.

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, Germany, 2014

	All business students	Banking-inclined students	Investment banking-inclined students
Female	56.1%	36.4%	30.6%
Male	43.9%	63.6%	69.4%
Number of students	11,173	1,863	1,341
Average age	23.7	23.2	22.8

Source: Universum Talent Survey 2014; Deloitte analysis

Although the popularity of banking held steady in the year to March 2014, it is still well below its pre-crisis high. Among German business students,¹ just 7.0 per cent of their choices of top five "ideal employers"² are banks, compared with 11.0 per cent in 2008. (See Figure 2.) Looking at the data another way, out of 11,200 business students in Germany surveyed, just 1,900 (17.0 per cent) included a bank in their top five "ideal employers". The equivalent proportion in the UK is 40.8 per cent.

Cars, cars, cars

If German bank bosses want inspiration for how to win the battle for talent, they could check their company car park. The automotive industry is by far the most desirable employer for German business students. No fewer than four of their top five "ideal employers" are German car producers. Nowhere else in EMEA does one sector dominate the rankings to the same extent. (See Figures 2 and 3.)

Banking and consulting down, software up

Banking is not the only sector to be losing popularity. Management and strategy consulting has declined almost in parallel with banking. Meanwhile, software and computer services have been rising in popularity for the past six years.

Where are the women?

In most EMEA countries, banking-inclined students³ are almost evenly split between the genders, although investment banking-inclined students are more likely to be men. In Germany both groups are very heavily male-dominated.

Balance and leadership

The top career goals for banking-inclined students in Germany are "to have work-life balance", closely followed by "to be a leader or manager of people".

Meritocracy and money

German banking-inclined students³ want an employer that recognises performance (meritocracy), offers good basic pay and has leaders who will support their development. The good news for banks is that they expect banks to deliver well on all three.

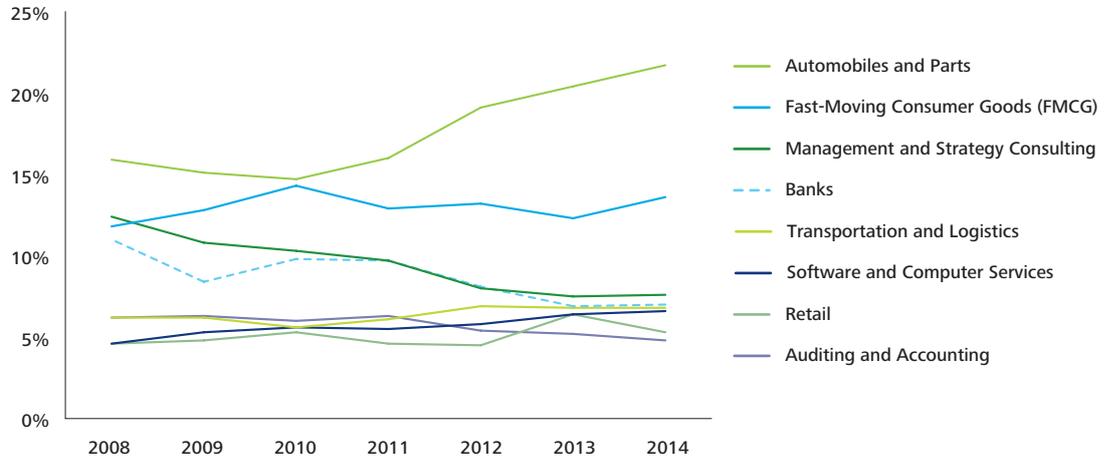
¹ Students studying business-related subjects.

² 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".

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

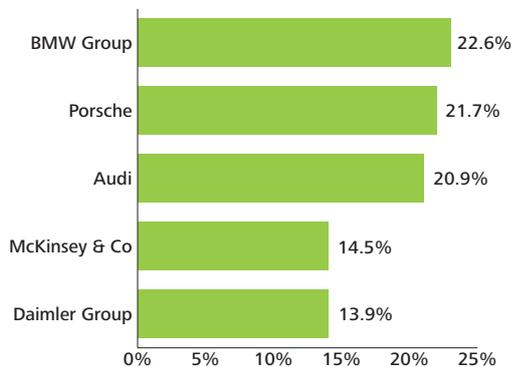
Auto industry drives home its advantage

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



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

Figure 3. Top five most popular employers, German business students, 2014



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

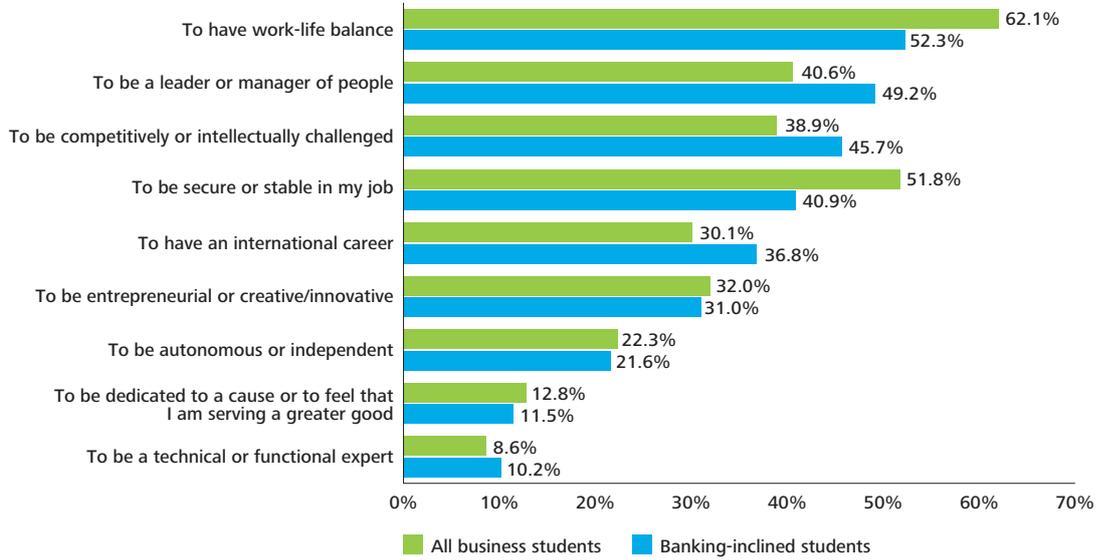
Figure 2 shows that the car industry has been popular with German business students for some time, but it has been increasing its lead every year since 2010. Fast-moving consumer goods (FMCG), the second-most popular sector among German business students, has had its ups and downs, but has not been close to taking the top position since 2010. Banking and management consultancy, meanwhile, have declined steadily in popularity, joining a third-tier cluster of sectors that includes transport and software. Although consultancy and banking are very close in popularity, bank bosses may be chastened to learn that McKinsey & Co is the only non-car company to make the top five list of “ideal employers.” The highest-ranking bank is in a lowly tenth position. Only three banks make the top 30 list, including the European Central Bank (ECB) at number 13, which is classified by Universum as a public sector body.

The gender balance

The ECB made a high-profile move last year to address the gender imbalance among its own staff, announcing quotas for women for its middle and senior management positions. The predominance of men among both banking-inclined and investment banking-inclined students in Germany is well above the EMEA average, and suggests that banks are missing out on a huge pool of potential talent. Indeed Germany has a lower proportion of women among investment banking-inclined students than anywhere else surveyed, except the Czech Republic. The gender imbalance in Germany is greater than the Middle East, India or Japan.

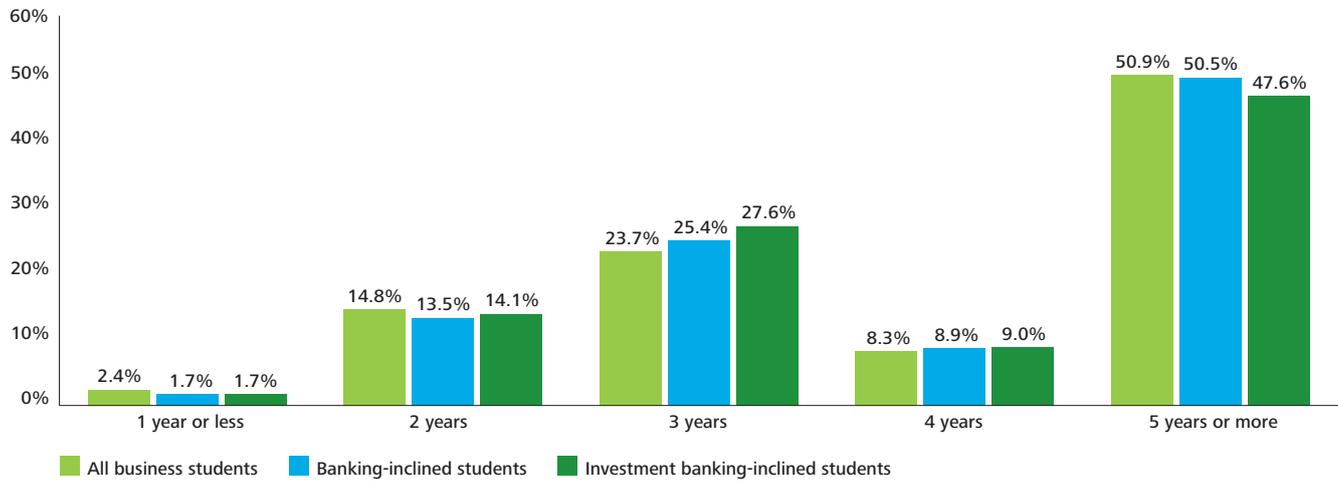
And now for the good news ...

Figure 4. Career goals of German students, 2014



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

Figure 5. Expected duration of first job, German students, 2014

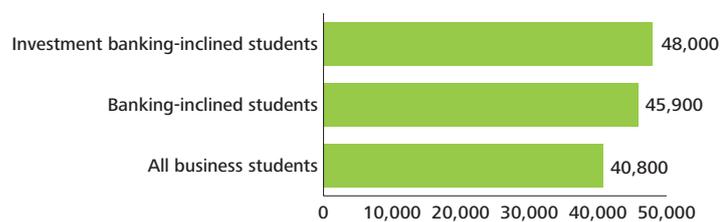


Source: Universum Talent Survey 2014; Deloitte analysis
See Appendix for survey questions

About half of banking-inclined and investment banking-inclined students expect to stay in their first job for five years or more. That's one of the highest levels in the world.

German banking-inclined students are significantly more likely to be interested in leadership, competitive challenge or an international career than German business students in general. They are less concerned about job security. The top career goal for German banking-inclined students, as well as for German business students in general is "to have work-life balance".

Figure 6. Expected annual salary (EUR), Germany, 2014



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

Meritocracy and money, but not too many hours, please

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 7 – “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.

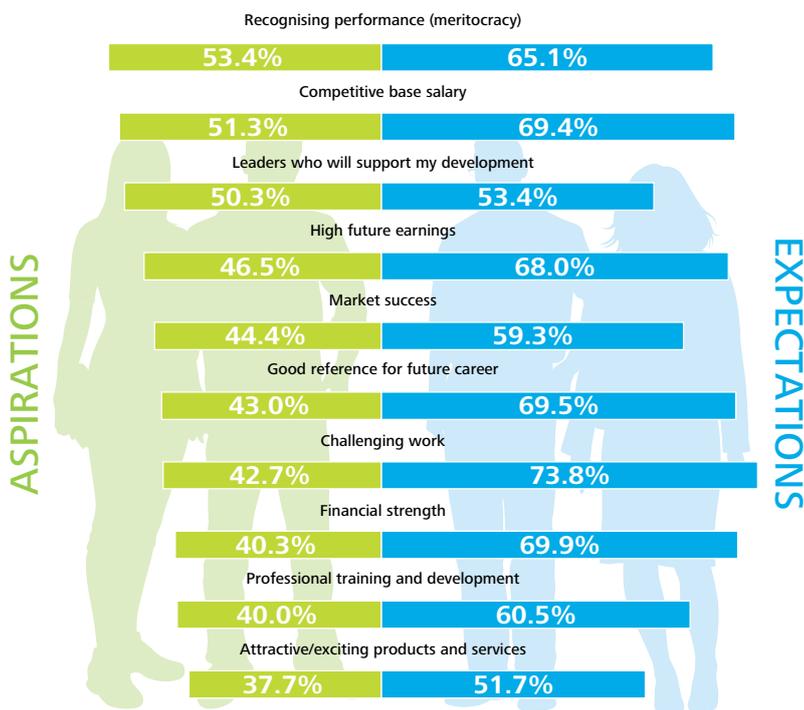
Deloitte analysed what banking-inclined students most want from their employer, and what they most associate with banks. Comparing the two offers a view of where their aspirations and expectations coincide or diverge. The importance of any divergence may vary from attribute to attribute. For example, it would probably not be a problem if expectations exceed aspirations on pay or having a supportive leadership. But what about if the data shows a strong expectation of long hours, say, without a corresponding desire on the part of students?

On this basis, there is both good and bad news for German banks. Banking-inclined students most value “recognising performance (meritocracy)”, “competitive base salary” and “leaders who will support my development”, and they strongly associate banks with these attributes.

The biggest divergence between aspirations and expectations is in having responsibility: Banking-inclined students ranked having a “high level of responsibility” 20th as an aspiration, but eighth as an expectation. There is also a divergence between the aspiration of banking-inclined students for “challenging work” (ranked seventh), and their expectation (ranked first).

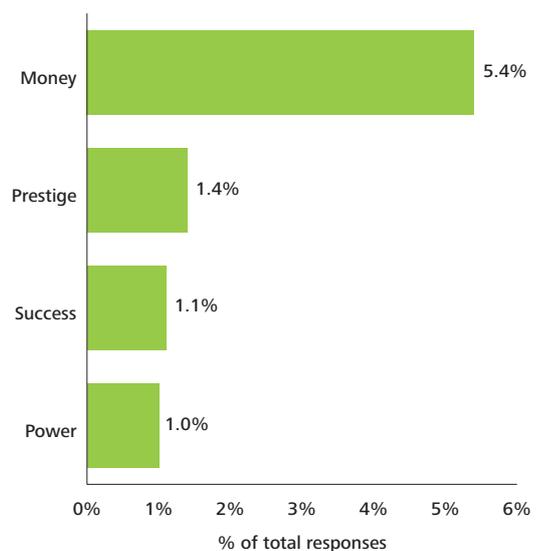
Word associations for German banking-oriented students also offer food for thought for bank leaders. Asked what word or words came to mind when shown the names of banks, ‘money’ came top, followed by “prestige”, “success” and “power”. (See Figure 8.)

Figure 7. German banking-inclined students’ aspirations versus expectations, 2014



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

Figure 8. Words most associated with banking, German 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: "How many years do you expect to work for your first employer after graduation?"

Note to Figure 6

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

Note to Figure 7

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 8

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

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