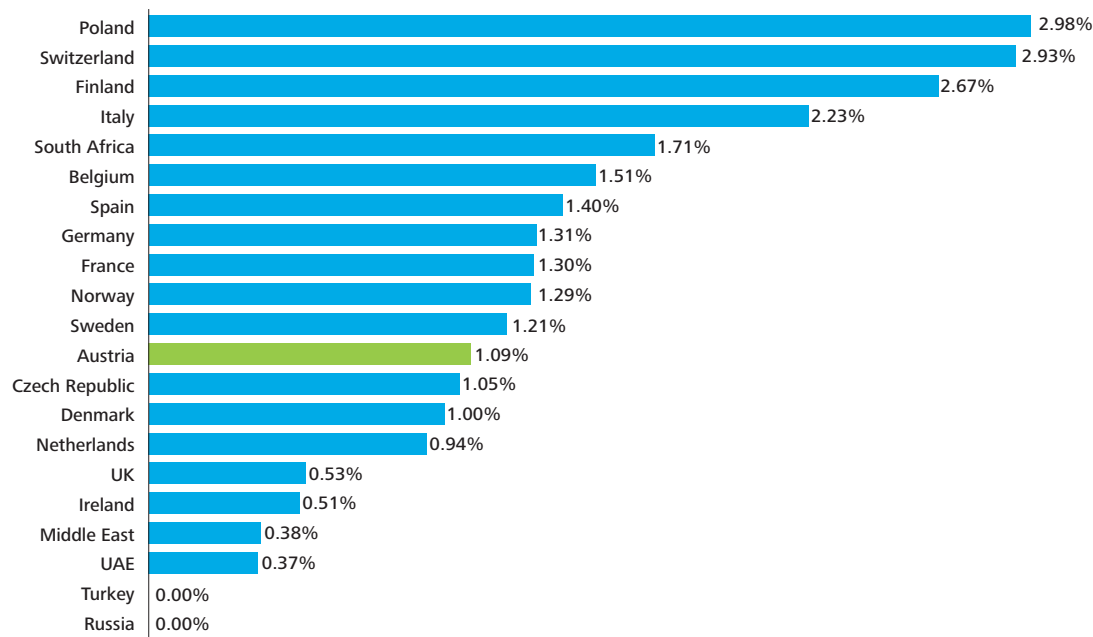


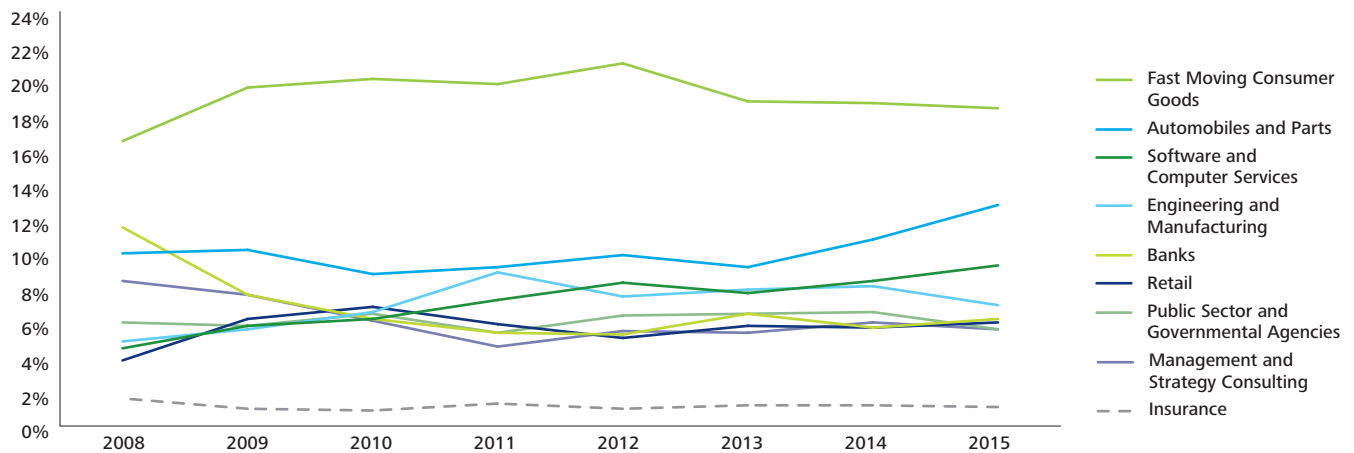
The Deloitte Talent in Insurance Survey 2015 Austria in Focus

Figure 1. Popularity of insurance as a career choice among business students, EMEA, 2015



Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Figure 2. Industry popularity among Austrian business students, 2008-2015



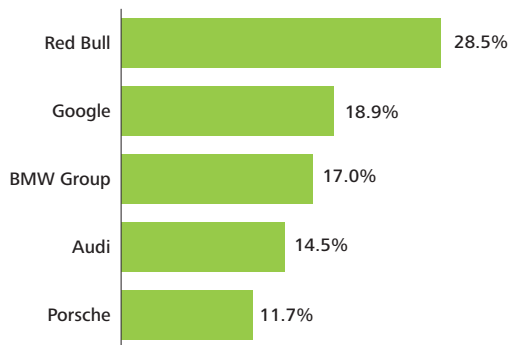
Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Like many countries in Europe, Austria will soon be facing major demographic challenges. Combined with differing expectations of the millennial generation entering the workforce, this may shift the work environment markedly. It is estimated that 25 per cent of existing staff¹ will retire in the next five years. Meanwhile, those joining the workforce have different ideas around 'work/life balance' and autonomy compared with the traditional leadership styles still characterising many organisations.

This can perhaps be seen in young people's attitudes to the sectors they want to work for. In Austria, the automobile sector has always been strong, and in the past few years has been growing, from being the sector of choice for ten per cent of all business students in 2008 to nearly 13 per cent today. Fast moving consumer goods (FMCG) remains solid, holding up as the top sector (for nearly 19 per cent of business students), while sectors such as engineering and software & computer services, in which there are skills shortages, are in the ascendency. Interest in roles in software and computing has more than doubled from 4.5 per cent of students in 2008 to 9.3 per cent today.

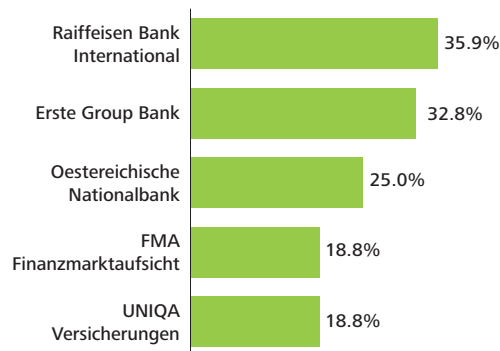
Compared to growth in these sectors, interest in insurance over the same period has declined by almost a third from a height of 1.6 per cent popularity in 2008, to 1.1 per cent by 2015. That said, interest has been as low as under one per cent in 2010, so it has recently seen a modest improvement. At an EMEA level, even this relatively low-level interest puts it at a more respectable 12th out of 21 countries measured. Interest is higher, however, in neighbouring Germany and Switzerland.

Figure 3. Top five most popular employers, Austrian business students, 2015



Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Figure 4. Top five most popular employers, Austrian insurance-inclined students, 2015

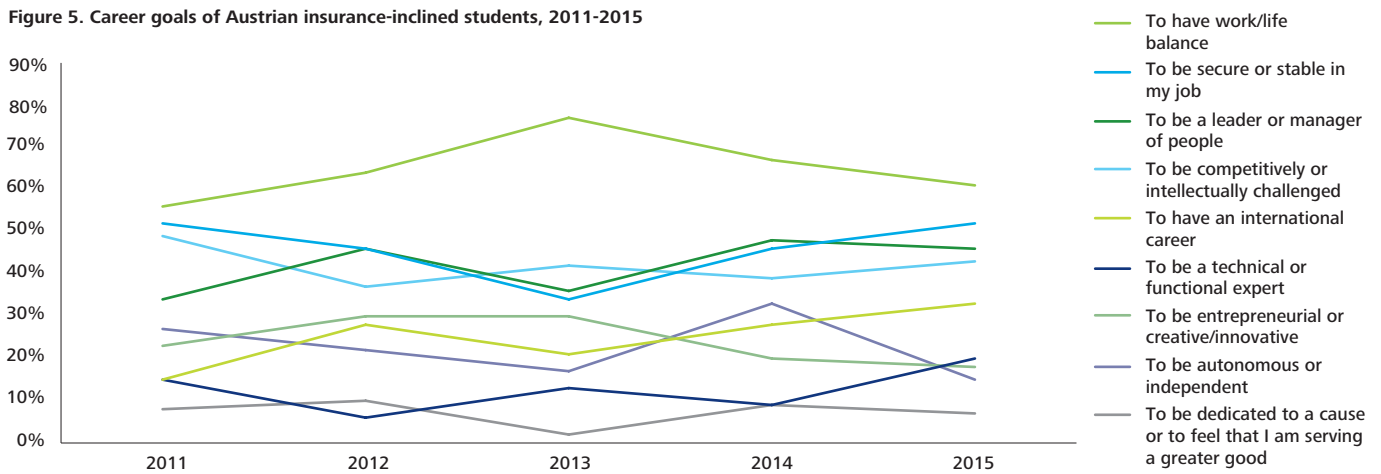


Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Perhaps not surprisingly, the Austrian-based beverage company Red Bull is the company most business students rank as their ideal employer, and it contributes to FMCG's position as the top sector. However, the growth of the automobile sector is evident too, with German car makers BMW, Audi and Porsche also populating the top five, in 3rd, 4th and 5th places respectively. It means car brands fill three of the top five dream employer spots, with Google sneaking into second.

The favourite companies insurance-inclined students want to work for are dominated by two banks that garner a third of the votes each – Raiffeisen Bank International (with nearly 36 per cent of students choosing it), and Erste Group Bank (with just under 33 per cent). A third, Oesterreichische Nationalbank, the central bank, also registers 25 per cent support. The rest register 11-18 per cent support each, with the top ten rounded off by Vienna Insurance Group with nearly 11 per cent support, compared to almost 19 per cent for insurer UNIQA Versicherungen, which took fifth place for insurance-inclined students. All the top ten choices are companies that are clearly highly respected, with none having less than ten per cent support from students.

Figure 5. Career goals of Austrian insurance-inclined students, 2011-2015



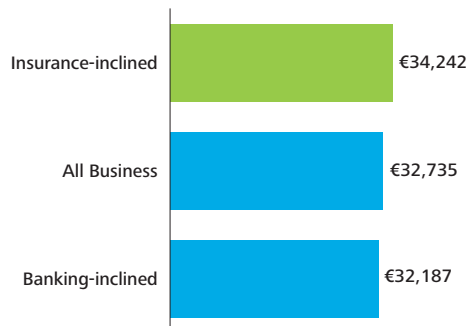
Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Those that want to enter insurance do not do so because they want to be ‘dedicated to a cause’. Response to this goal has remained low over the past four years. Neither is insurance a sector that attracts entrepreneurial types or those who want to work in an autonomous way. The proportion of insurance-inclined students choosing each of these as a top career goal has declined.

Interest in working internationally has doubled since 2011, and the desire ‘to be a manager of people’ has also grown, from 34 per cent in 2011 to 46 per cent in 2015. This is unusually high: the global average is 38 per cent.

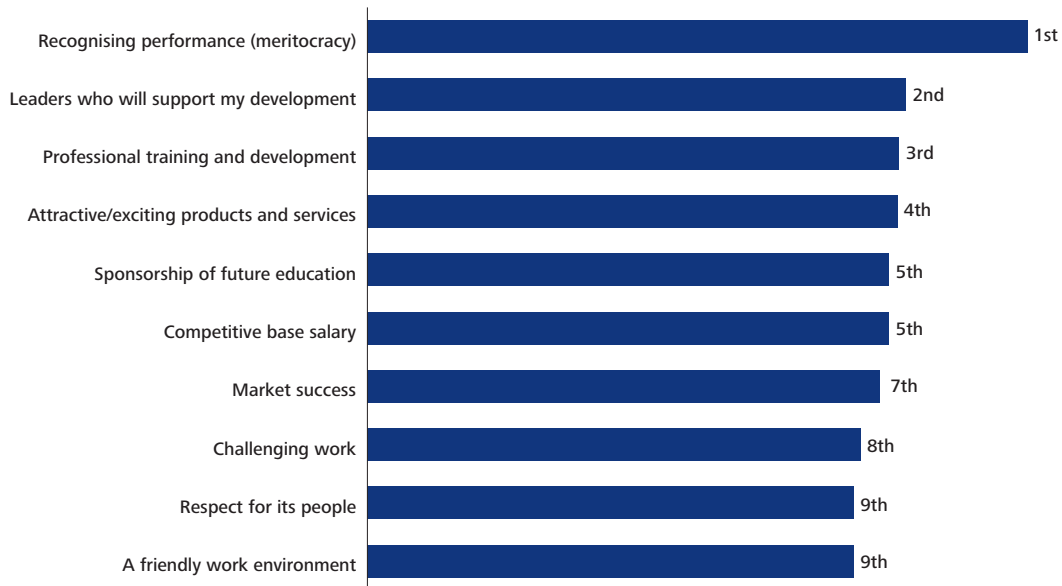
Those who express an interest in entering insurance expect the sector to pay well. The ‘all-business’ student population expect to enter work earning around €32,735 annually. Those with an interest in insurance expect to earn 4.6 per cent more, €34,242. A similar pattern can be observed in neighbouring countries, with insurance-inclined students in Switzerland and Germany also expecting salaries approximately €2,000 higher than their business school peers.

Figure 6. Expected annual salary (EUR), Austria, 2015



Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Figure 7. Austrian insurance-inclined students' aspirations, 2015



Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Figure 8. Austrian insurance-inclined students' expectations, 2015



Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

While insurance-inclined students have higher than average initial salary expectations, a 'competitive base salary' is not their principal aspiration. Nor does 'high future earnings' rank within the top-ten aspirations.

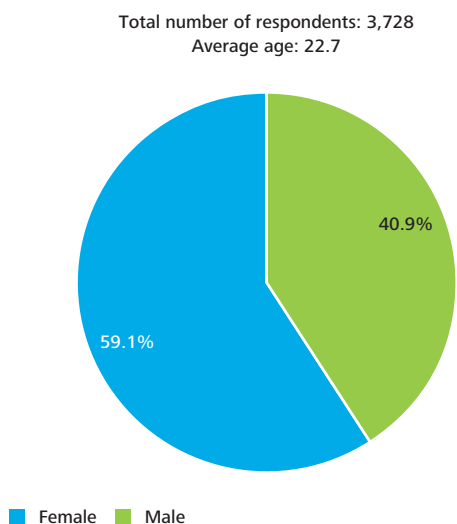
'Meritocracy' is by far the most appealing attribute to these students. They also aspire to strong 'professional development' to give them the skills they need in order to progress.

These would appear to be attractive aspirations, but there is the risk that students see insurance as a stepping-stone, providing them with development, experience and rapid progression to enable them to succeed elsewhere. This is a particular risk as a significant proportion of the workforce will need to be replaced over the next five years. Another concern is that the development students seek is not widely expected of insurers; there is a need for training to be individualised and embedded more in daily business.²

Interestingly, Austrian insurance-inclined students are attracted to 'exciting products and services', unlike in most other markets surveyed. This is very encouraging as digitisation among insurers increases. Unfortunately, this same group of students does not expect to find such products within the sector. Expectations of the sector are significantly different to aspirations, with the first and third highest-ranked expectations, 'financial strength' and 'good reference for future career', not appearing within the top ten aspirations.

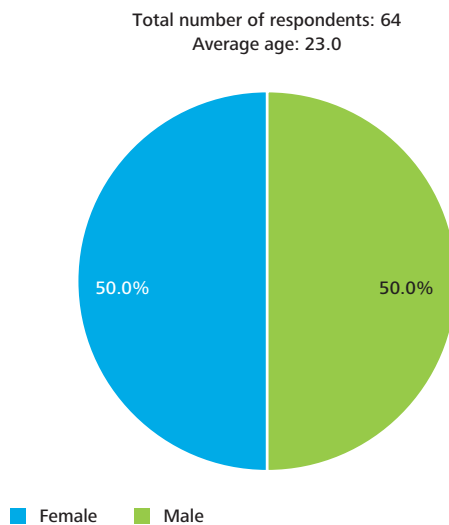
Insurers should move away from marketing their traditional strengths to graduates and highlight the development opportunities and exciting products offered by the industry more.

Figure 9. Austrian business student demographics, 2015



Source: Universum Talent Survey 2015; Deloitte analysis

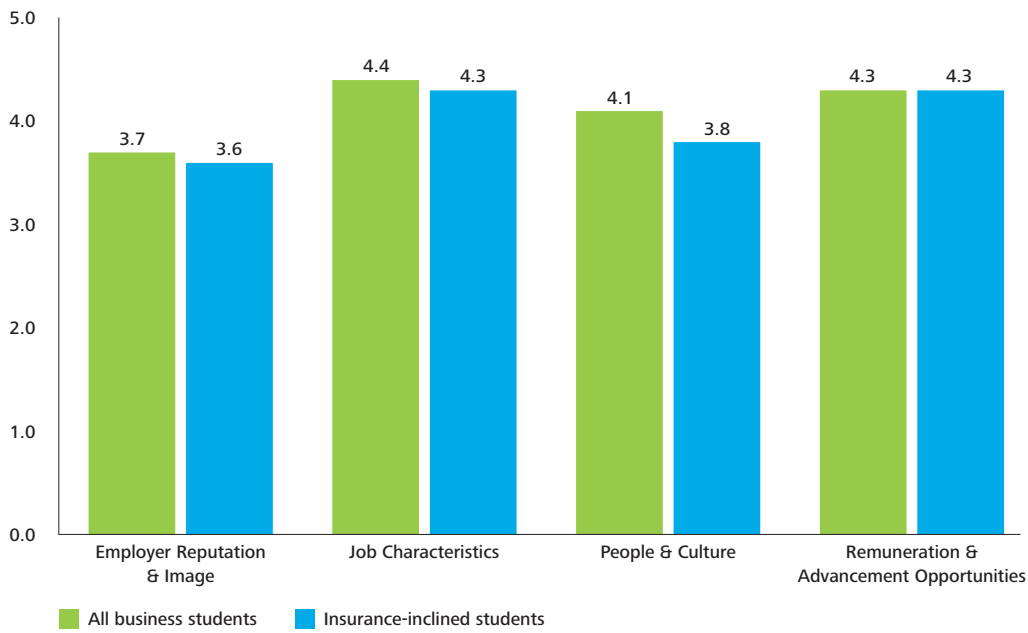
Figure 10. Austrian insurance-inclined student demographics, 2015



Source: Universum Talent Survey 2015; Deloitte analysis

The majority of business students surveyed in Austria were female, at 59.1 per cent. Just 50.0 per cent of the insurance-inclined were female. The insurance sector in the country remains male-dominated. Insurers are aware of the scope to improve the gender imbalance, and particularly the ratio of women in leadership functions.³ Currently, by failing to better attract women, Austrian insurers appear to be missing out on a significant pool of talent.

Figure 11. Attractiveness of job aspects, all Austrian business students and Austrian insurance-inclined students, 2015

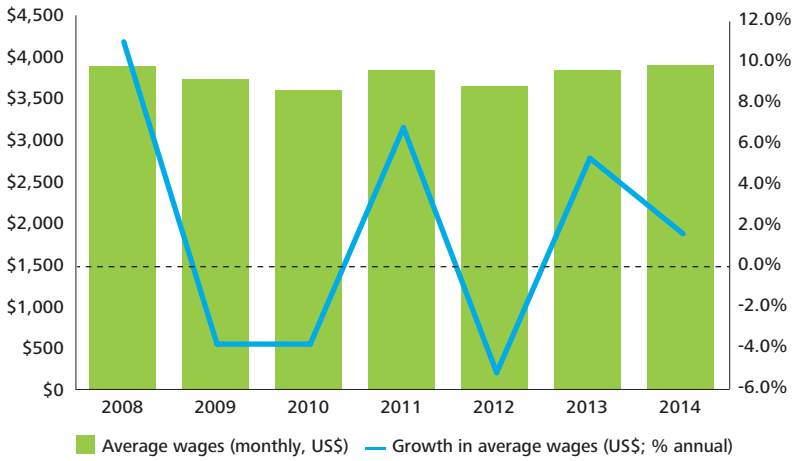


Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

It is noteworthy that while insurance-inclined Austrians crave a strong and prestigious company to work for, this is still only on a par with what all business students want. In fact all-business and insurance-inclined students share virtually identical scores for 'reputation and image'; 'remuneration and advancement'; and 'job characteristics'. The big difference is in culture. Insurance-inclined students do not rate insurance as being 'people and culture' driven (3.8 out of five vs 4.1 for all business students in this category).

Macroeconomic context

Figure 12. Growth in average monthly wages (US\$), Austria, 2008-2014



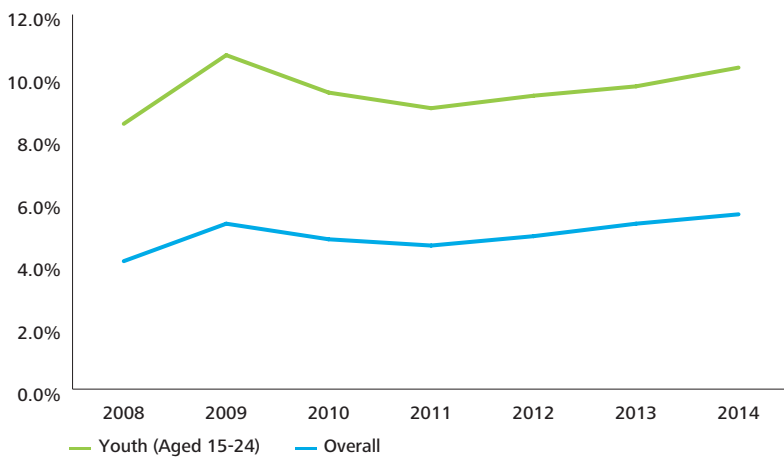
Source: Economist Intelligence Unit
See Appendix for notes

The importance of insurance to the Austrian economy grew slightly between 2004 and 2013, with total gross written premiums (GWP) increasing from 6.0 per cent to 6.9 per cent as a percentage of GDP over that period. However, while total GWP increased each year between 2004 and 2008, the sector was subsequently affected by the eurozone financial crisis. As of 2013, total GWP remained lower than its 2008 peak, at US\$ 25,072 million (€18,210 million) compared to US\$ 26,282 million (€18,644 million) five years previously.

The industry is likely to be affected in coming years by the implementation of the Solvency II Framework in 2016, which is expected to necessitate organisational changes.⁴

Average monthly wages also fell post-crisis, from US\$ 3,881 (€2,753) in 2008 to a low of US\$ 3,595 (€2,712) in 2010. They have since recovered, and surpassed 2008 levels in 2014, when they reached US\$ 3,898 (€3,206).

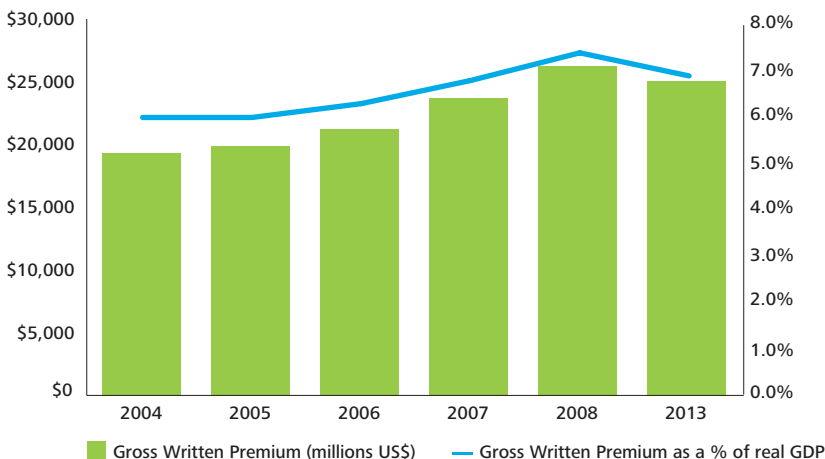
Figure 13. Overall and youth unemployment, Austria, 2008-2014



Source: OECD

Overall and youth unemployment, meanwhile, quickly recovered from a post-crisis spike in 2009, but have increased year-on-year since 2011. In 2014, overall unemployment was greater than it was in 2009, at 5.6 per cent, whereas youth unemployment, at 10.3 per cent, remained lower than 2009 levels. These levels are low by European standards.

Figure 14. Total Gross Written Premiums in US\$ mn and as % of real GDP, Austria, 2004-2013



Source: OECD
See Appendix for notes

Appendix

Terminology

Business students = students studying business-related subjects.

Insurance-inclined students = business students who put at least one insurer in their top five 'ideal employers', when offered a list of potential employers to choose from.

About the Research

This report is based on the Universum Talent Survey 2015. Universum has been researching students' career intentions since 1988. In 2014-15, it surveyed about 1.2 million students and professionals drawn from over 2,000 universities and institutions of higher education in 55 countries.

Deloitte examined the survey results from 211,000 business students in 30 markets: in the Americas, Brazil, Canada, Mexico and the US; in APAC, Australia, China, Hong Kong, India and Singapore; and in EMEA, Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, the 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 23 and 30.

Currency conversions

Currency conversions into local currency use exchange rate data from OANDA. Rates are correct as of the 31st December of the relevant year unless otherwise stated.

Note to Figure 1

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". Insurance popularity by market is calculated as the number of times insurers are short-listed among the five "ideal employers" in each market.

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 for that industry are short-listed among the five "ideal employers".

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: "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 5

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 6

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

Note to Figure 7

Survey question: "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]."

Note to Figure 8

Survey question: "Which of the following [40 attributes] do you associate with your chosen employer(s)?"

Note to Figure 11

Survey question: "How important are each of the aspects below to you? Please rate the importance of each aspect on a scale from 1-5."

Note to Figure 12

Average wages (monthly): average gross earnings per worker per month.

Growth in average wages (annual): percentage change in hourly wages in US\$ over previous period.

Figures are converted to US\$ using an average exchange rate.

Fluctuations in average wages could be partially due to changes in the EUR/US\$ exchange rate.

Note to Figure 14

Data for 2009-2012 and 2014 is not available.

Fluctuations in Total Gross Written Premiums could be partially due to changes in the EUR/US\$ exchange rate.

Endnotes

1. Deloitte analysis
2. Deloitte analysis
3. Deloitte analysis
4. Deloitte analysis

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