

The Deloitte Talent in Banking Survey 2014 Italy in Focus

Italian banks are undergoing a period of significant restructuring. The need to cut the number of retail branches has resulted in large-scale redundancies and a collapse of the psychological contract that saw banking as a safe bet.

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, Italy, 2014

	All business students	Banking-inclined students	Investment banking-inclined students
Female	54.0%	49.4%	44.9%
Male	46.0%	50.6%	55.1%
Number of students	6,894	2,733	2,004
Average age	23.3	22.7	22.5

Source: Universum Talent Survey 2014; Deloitte analysis

It is therefore unsurprising that among business students¹, banking has once again dipped in popularity. (See Figure 2.)

The news is not all bad for banks, however. Banking remains a popular career in Italy and there are few other places where the word "soundness" ranks as a top association with banking. See word play (Figure 8).

Consumer goods overtake banking

Banking has lost ground to fast-moving consumer goods (FMCG) as a career destination for Italian business students. In 2014 FMCG marginally overtook banking for the first time to become the most popular sector, a trend mirrored in several other EMEA markets. (See Figure 2.)

Banking still very popular

Banks still account for 19.3 per cent of "ideal employer"² choices for Italian business students, higher than anywhere in the 13 other EMEA markets analysed, except the UK. Two banks make it into the rankings for the top five employers. (See Figure 3.)

Everyone loves Google

Google is the top-ranked "ideal employer" for Italian business students, as it is in 14 other markets surveyed globally.

Job security increasingly important

While achieving work-life balance continues to be the top career goal for banking-inclined students³ in Italy, job security is now second, ahead of having an international career. (See Figure 4.)

Not motivated by money

Most Italian banking-inclined students want their employers above all else to offer challenging work and good training and to recognise good performance. The good news is that they think banks will deliver well on all these priorities. More worrying for banks is the low value that banking-inclined students place on having responsibility. (See Figure 7.)

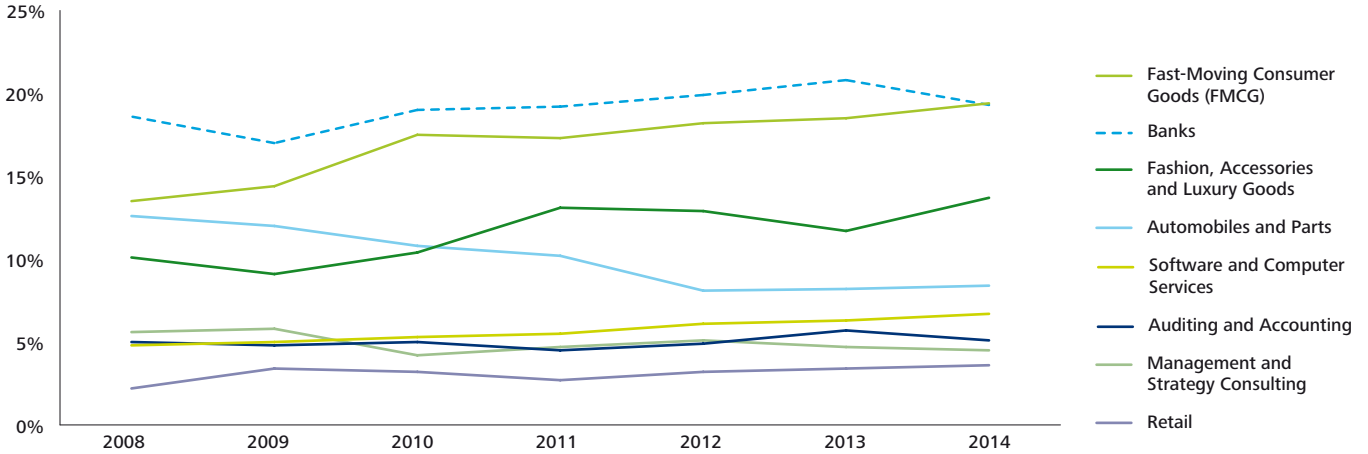
¹ Students studying business-related subjects.

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".

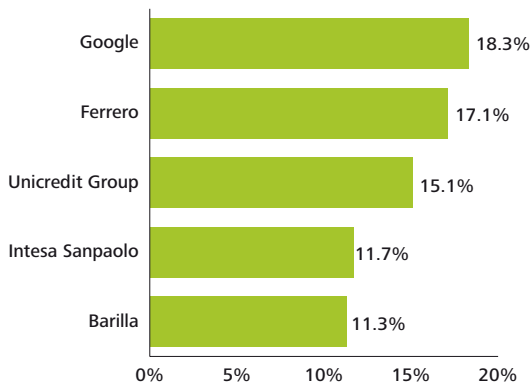
Banking down, FMCG and fashion up

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



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

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



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

In 2008 banking was by far the most popular place to work among Italian business students. Three other sectors – FMCG, car manufacturing, and fashion – formed a second-tier cluster.

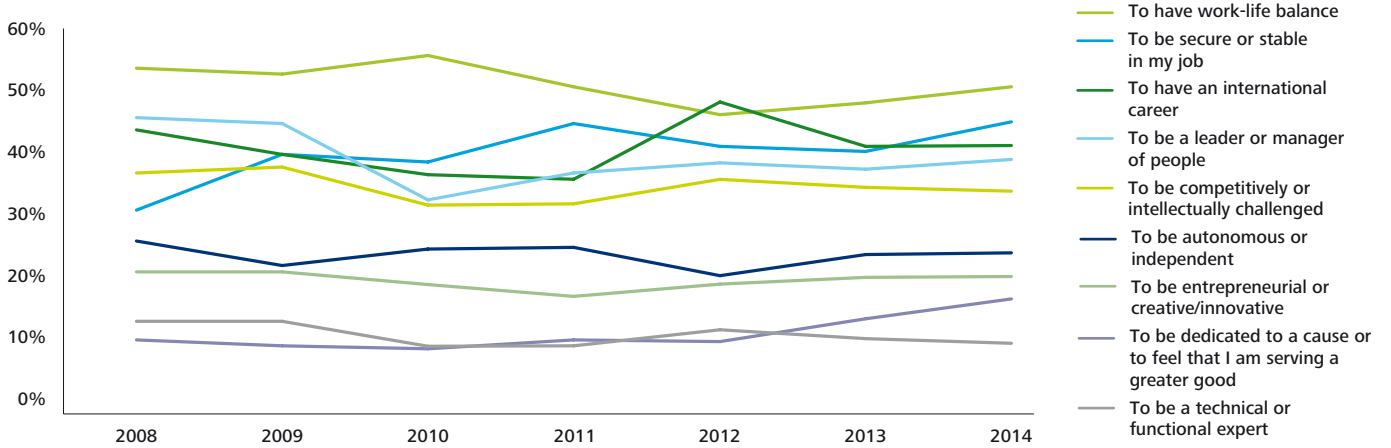
In 2014 banking and FMCG are neck and neck. The decline of banking and rise of FMCG is a trend mirrored in most of the EMEA region. Of the 14 EMEA markets analysed for this research, FMCG is now more popular than banking in 11.

In Italy, fashion has risen to occupy a strong third place. Car manufacturing, however, comes well below the top three, the preferred sector for just eight per cent of business students. With car sales in Italy hitting a 34-year low in 2013, this situation is unlikely to change soon.

It is also interesting to note that Italian students prefer domestic companies much more than many of their European counterparts. Apart from Google, which tops the ranking, the rest of the five most popular employers, including two banks, are Italian.

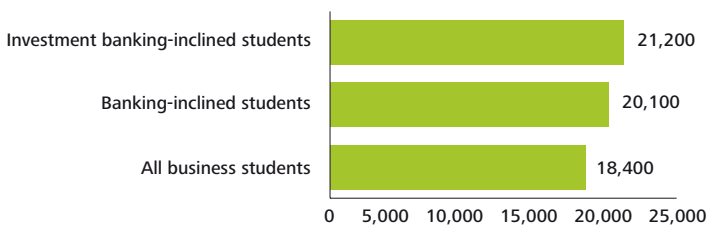
Shifting career goals reflect job market uncertainty

Figure 4. Career goals of Italian banking-inclined students, 2008 to 2014



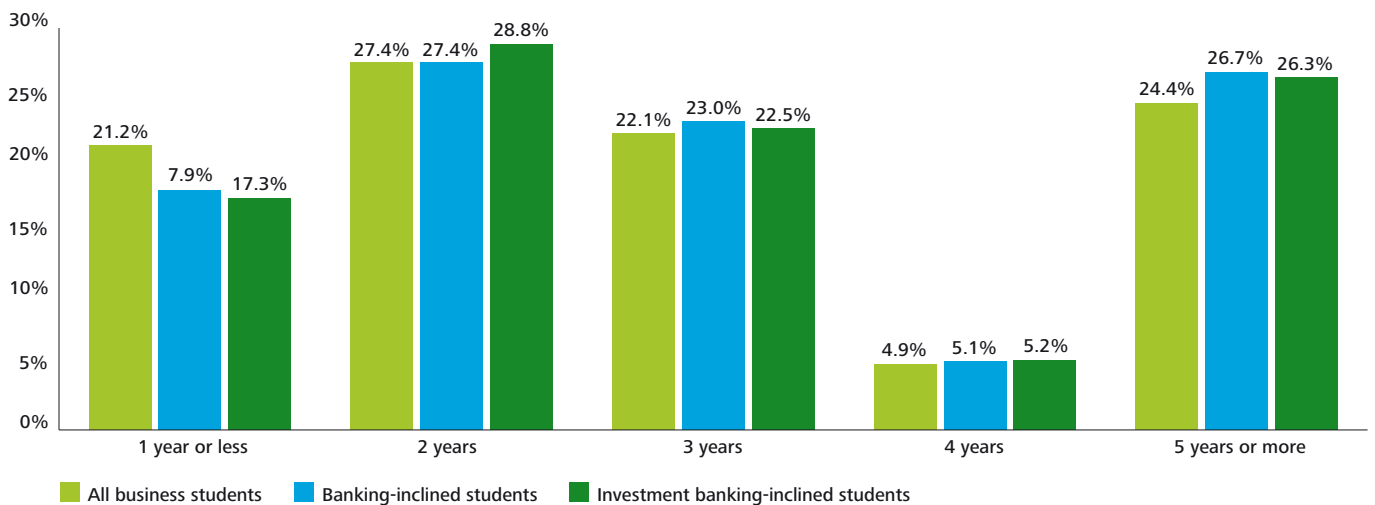
Source: Universum Talent Survey 2014; Deloitte analysis
See Appendix for survey questions

Figure 5. Expected annual salary (EUR), Italy, 2014



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

Figure 6. Expected duration of first job, Italy, 2014



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

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.

The top three career goals for banking-inclined students in Italy are “to have work-life balance”, “to be secure or stable in my job” and “to have an international career”. That represents a big shift in attitude towards job security. Six years ago, it rated just fifth out of nine career goals. By 2014 it was second, with almost half (47 per cent) of respondents placing it in their top three, compared to a third in 2008. This presumably reflects the continuing uncertainty in the Italian labour market and the high number of redundancies in banking, as institutions have rationalised their retail networks.

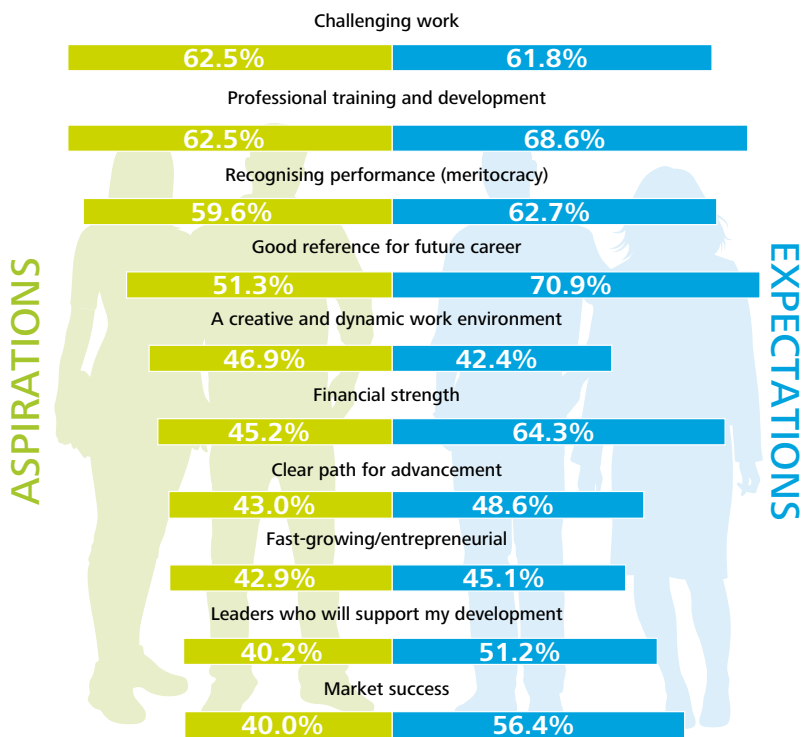
Even so, those seeking a job in banking expect to keep their first jobs longer than the average business student. (See Figure 6.) The expected duration of a first job among Italian banking-inclined students is well below most other EMEA markets. Only Spain has more who expect to leave their first job after less than a year. In France, Germany and the UK, more than 40 per cent of banking-inclined students expect to stay for five years or more, compared to Italy’s 26.7 per cent.

Students value an interesting job and good training above money or prestige

Banking-inclined students in Italy want their employer above all else to provide “challenging work”, “professional training and development” and “recognising performance (meritocracy)”. The good news is that they strongly associate all three characteristics with banking.

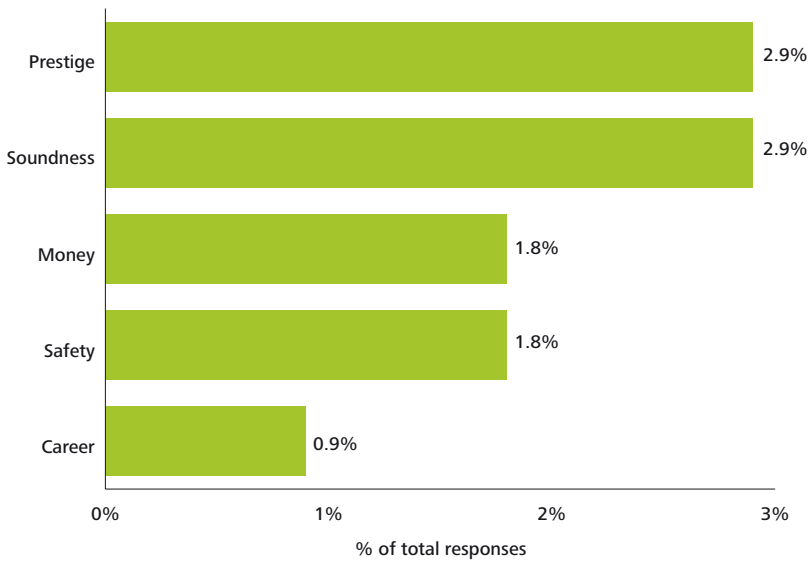
Banking-inclined students in Italy are motivated much less by money and bonuses than employers might imagine. Pay-related issues do not even make their top ten aspirations. When they do, it is more about delayed gratification than instant riches: students rate “high future earnings” substantially above “performance-related bonus”.

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



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

Figure 8. Top words associated with banking, Italian banking-inclined students, 2014



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

More worrying perhaps for banking employers is that a “high level of responsibility” ranks 22nd as an aspiration, whereas 62 per cent strongly associate banks with this requirement, ranking it eighth as an expectation.

“Prestige” is rated by fewer than 40 per cent of banking-inclined students as a top aspiration (ranking 11th), although some 67 per cent associated it with banking employers (ranking 3rd). “Prestige” is also the word that came up most often when students were shown a list of banks and asked for “the first word that comes to mind”.

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 is calculated as the number of times employers from 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: "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

Survey question: "How many years do you expect to work for your first employer after graduation?"

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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