

The Deloitte Talent in Banking Survey 2014 Switzerland in Focus

Banking suffered a further big drop in popularity among Swiss business students¹ in the year to March 2014, as cost cutting and lack of leadership continued to take their toll.

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.

For the third time in four years, banks came second to fast-moving consumer goods (FMCG) firms in the preferences of Swiss business students. (See Figure 2.)

While the sector may be some way off its high point, in a country that is almost synonymous with banking, it is still a very popular option. Swiss banks may also be relieved to know that "prestige" is the word that business students are most likely to think of, when shown a list of banks.

A tale of two sectors

Banking may have fallen behind FMCG in popularity, but the employment preferences of Swiss business students are dominated by the two sectors together, well ahead of all other sectors. (See Figure 2.) Two of the big Swiss banks are among the top four "ideal employers"².

Watch out

The fashion, accessories and luxury goods sector is gaining ground in popularity. (See Figures 2 and 3.)

Google takes over the world

Google is the exception to students' preferences for banking and FMCG. As in 14 other markets surveyed globally, it was chosen as the most "ideal employer" by Swiss business students. This is perhaps surprising, given that Google employs only about 800 people in Zurich.

Where are the women?

About a third of Swiss banking-inclined students³ are women: this is one of the lowest ratios in EMEA.

Figure 1. Student demographics, Switzerland, 2014

	All business students	Banking-inclined students	Investment banking-inclined students
Female	46.0%	36.2%	34.1%
Male	54.0%	63.8%	65.9%
Number of students	4,424	1,476	1,219
Average age	23.5	23.1	22.9

Source: Universum Talent Survey 2014; Deloitte analysis

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".

Work-life balance dominates career goals

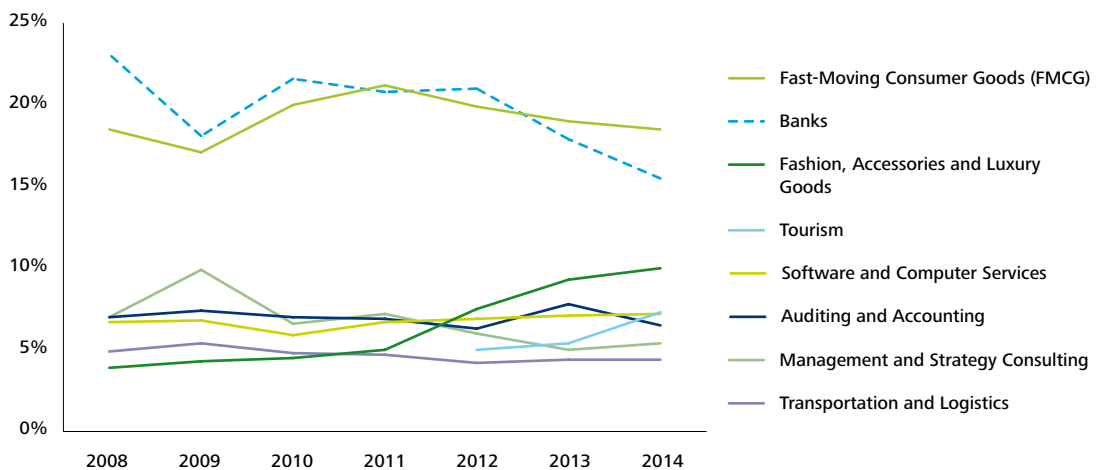
For Swiss banking-inclined students, “to have work-life balance” is the most popular career goal by some margin, followed by the desire “to be a leader or manager of people”.

Not motivated by money

Swiss banking-inclined students say that they are more concerned with their own career development prospects and a meritocratic environment that recognises performance than they are with high pay.

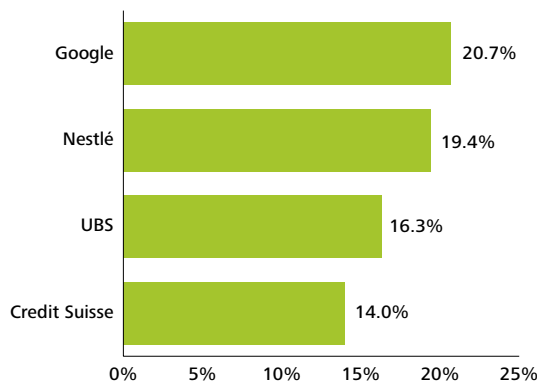
Watches gain where banks lose

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



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

Figure 3. Most popular employers, Swiss business students, 2014



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

Figure 2 shows the fashion, accessories and luxury goods sector – which includes the watch industry – gaining dramatically in popularity as banking has declined. Swatch is the sixth-most popular employer among Swiss business students.

Despite its declining popularity, it would be foolish to write off banking any time soon. The giants of Swiss banking, UBS and Credit Suisse are still the third and fourth-most popular companies on the “ideal employer” lists of Swiss business students.

Among other sectors, strategy consulting has become noticeably less popular since its peak in 2010, while the Google factor has seen software and computer services rising slowly to joint fourth place.

Swiss students like Swiss companies

Four of the top six companies in the “ideal employer” rankings, and five of the top ten, are Swiss. That’s more home-based companies among the top “ideal employers” than in most other EMEA markets.

High pay but low differential

The cost of living in Switzerland is high, and Swiss students have by far the highest pay expectations among business students in EMEA. However, whereas in most EMEA markets banking-inclined students have significantly higher pay expectations than business students in general, the difference between the two groups in Switzerland is very small. (See Figure 5.)

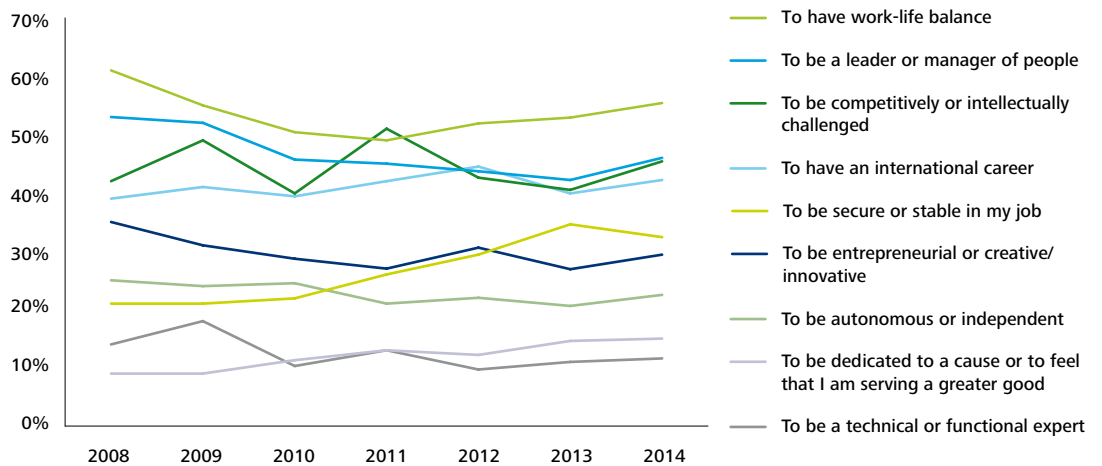
The gender problem

Banking is still heavily male-dominated in Switzerland. This is reflected in our research: 63.8 per cent of banking-inclined students are men, despite the fact that only 54.0 per cent of business students are men.

This is different from many other EMEA countries, where investment banking is generally male-dominated but there are equal numbers of men and women among retail banking-inclined students. It might be expected that Swiss banking, which is dominated by retail and private banking, would demonstrate a more even gender balance. The fact that it does not suggests that banks are missing out on a large pool of potential talent.

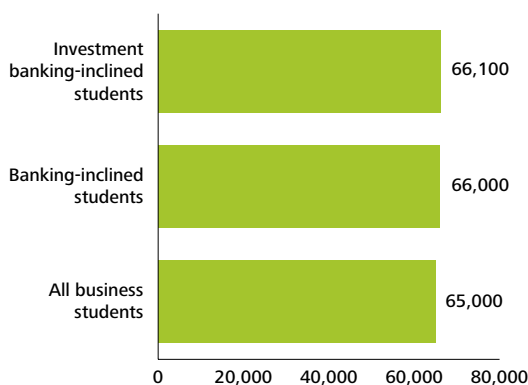
Work-life balance, leadership, challenge and international opportunities

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



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

Figure 5. Expected annual salary (EUR), Swiss students, 2014



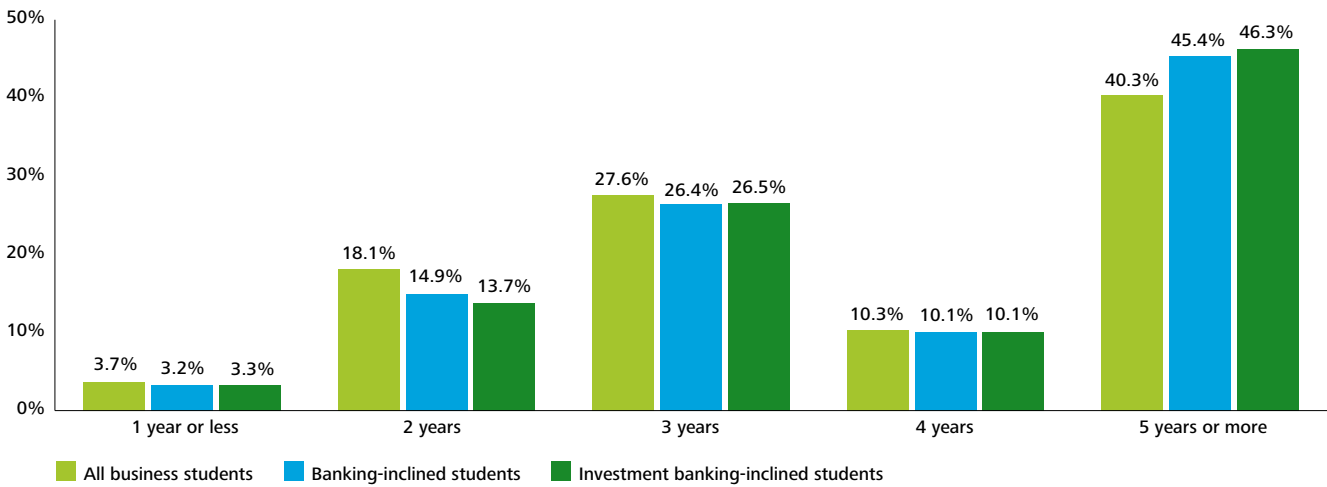
Source: Universum Talent Survey 2014; Deloitte analysis
See Appendix for survey questions

Students were asked to pick their top three career goals from nine possibilities. The top choice for banking-inclined students in Switzerland, by some margin, is “to have work-life balance”.

“To be a leader or manager of people”, “to be competitively or intellectually challenged” and “to have an international career” scored fairly similarly and came in second, third and fourth places respectively.

“To be secure or stable in my job” is the fifth-most popular choice, but has increased in importance over the six years following the financial crisis. This mirrors international trends, despite the fact that unemployment in Switzerland has remained well below four per cent for the past decade.

Figure 6. Expected duration of first job, Swiss students, 2014



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

Students want performance recognition – but not through money

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”.

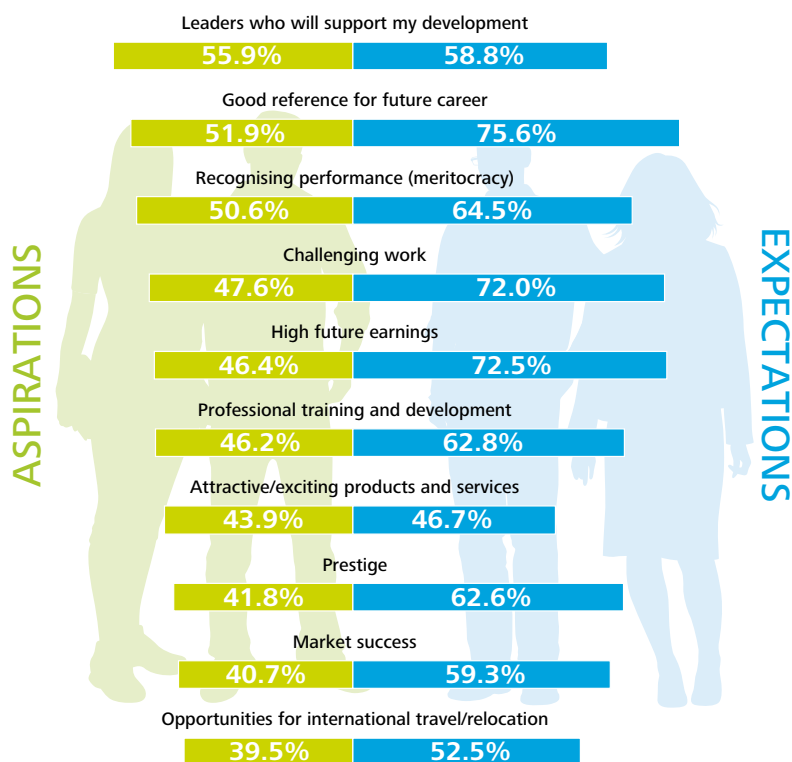
Please note that because the number of aspirations students can choose is capped at 12, while the expectations are uncapped up to 40, the proportions of students expecting a particular attribute is likely to be higher than those recording an aspiration for that attribute.

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

Swiss banking-inclined students place greatest value on employers who offer “leaders who will support my development”, “good reference for future career” and “recognising performance (meritocracy).” The good news for banking employers is that they expect to find all three at banks.

Banking-inclined students are much less concerned about pay than banks may imagine. Banking-inclined students ranked “performance-related bonus” 29th as an aspiration, but fifth as an expectation. The message seems to be, therefore, that students value a meritocratic culture, but not necessarily a bonus-driven one.

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

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)?"

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