

The Deloitte Talent in Banking Survey 2014 UK in Focus

The banking sector has proved surprisingly resilient as a career choice for business students¹ in the UK. This is despite the damage to the sector's reputation following recent scandals such as fines for mis-selling of payment protection insurance products and the rigging of the Libor rate.²

About the Research

This report is based on the Unversum Talent Survey 2014. Unversum 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 Unversum 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.

According to the Association of Graduate Recruiters, the banking and financial services sector expects its graduate vacancy levels to increase by 54 per cent in 2013-2014.

Two investment banks feature in the top four "ideal employers"³ for business students, reflecting the strength of the banking sector as a graduate employer in the UK.

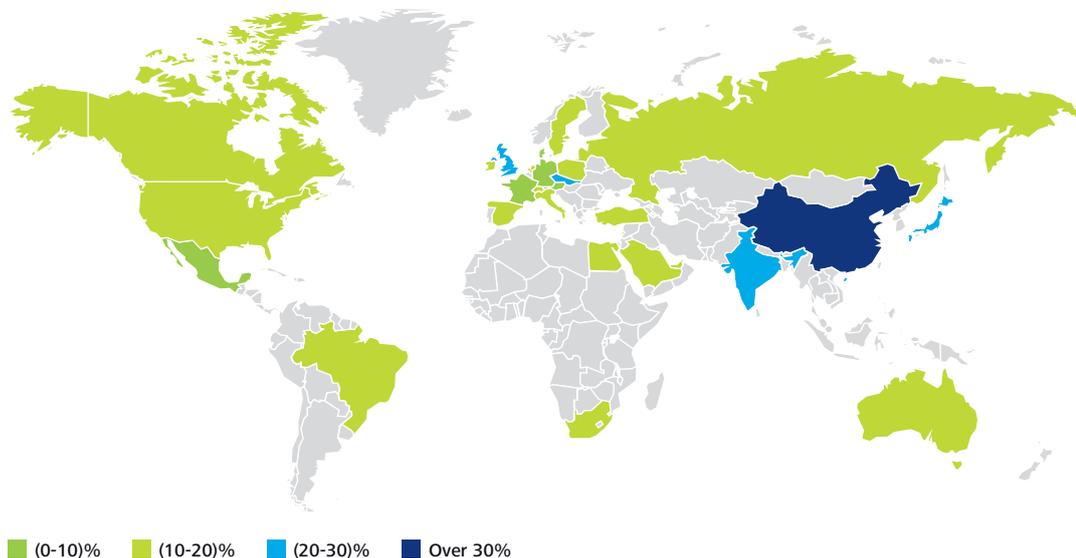
(See Figure 2.) Goldman Sachs and JP Morgan were ranked third and fourth in the list of top four "ideal employers". However, technology giants Google and Apple took the top two positions. It appears that in order to attract students the banking sector will have to compete with technology companies.

The good news for banks is that among banking-inclined students⁴, all of the top five "ideal employers" were banks.

Popularity for banking undiminished in the UK

Banking remains the top career choice for business students in the UK, accounting for 23.1 per cent of choices of "ideal employer" among business students. UK students ranked a job in banking higher than did their counterparts in all other markets surveyed, except China, Hong Kong and Singapore. (See Figures 1 and 3.)

Figure 1. Banking popularity by country, 2014



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

1 Students studying business-related subjects.

2 London InterBank Offered Rate (Libor) is a benchmark interest rate at which banks can borrow funds from other banks in the London interbank market.

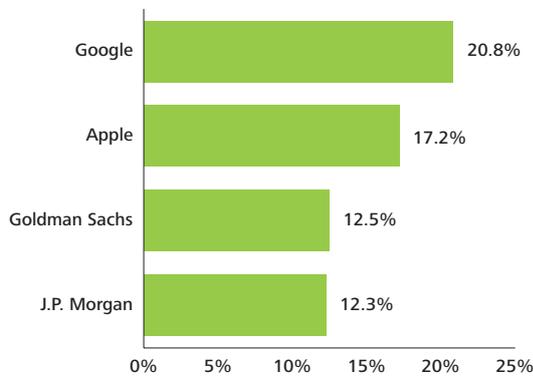
3 Business students were presented with a list of employers from a range of sectors. They chose an unlimited list of companies for which they might consider working. Next they narrowed the choice to a maximum of five "ideal employers".

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

Banks feature strongly in top four “ideal employers”

Google is the top-ranked “ideal employer” for UK business students, as it is in 14 other markets surveyed globally. However, two investment banks were also ranked in the top four “ideal employers” by all business students, and the top five “ideal employers” for banking-inclined students were all banks – JP Morgan, Goldman Sachs, Morgan Stanley, HSBC, and Barclays – reflecting the attractiveness of the sector for business graduates in the UK.

Figure 2. Most popular employers, UK business students, 2014



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

Being challenged in work just as important as work-life balance

“To be competitively or intellectually challenged” and “to have work-life balance” were ranked as joint top career goals among banking-inclined students. (See Figure 4.) Banking-inclined students considered the need to be challenged in their career to be a more important priority than other business students.

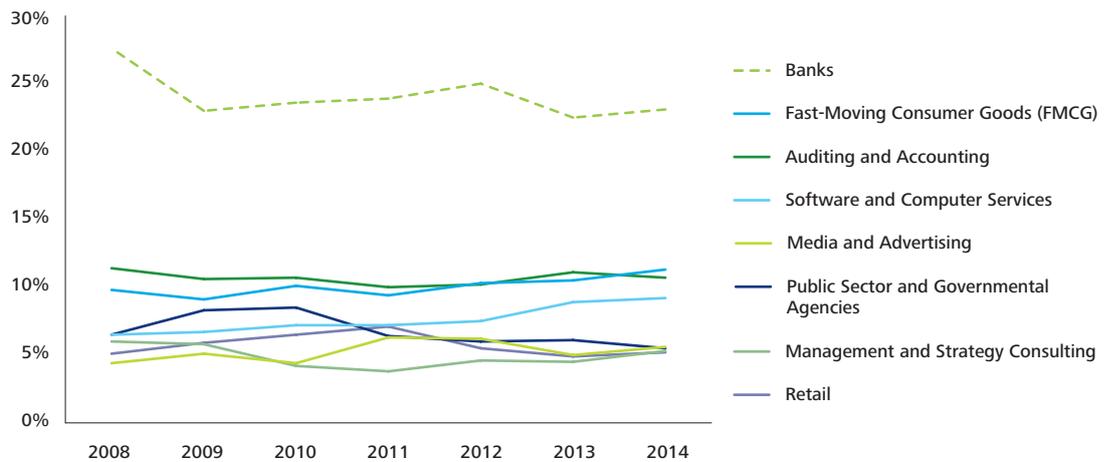
Banks expected to exceed students’ aspirations

UK banking-inclined students have high aspirations for “leaders who will support my development”, “professional training and development” and “high future earnings” in their first job (See Figure 7). The challenge for bank managers is to meet these high aspirations.

Banking still the top career choice for students

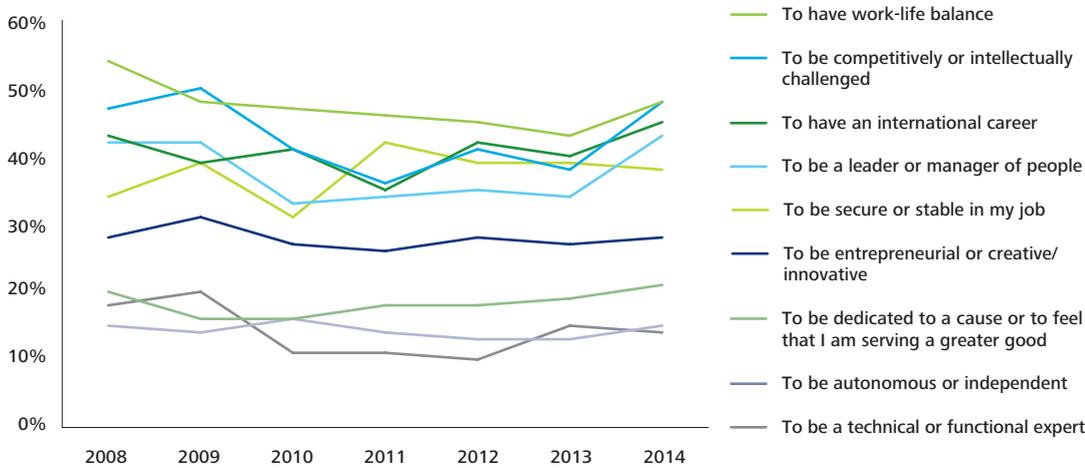
In spite of a decline since the financial crisis, banking remains the most popular industry sector for UK business students by a substantial margin: banks represent 23.1 per cent of “ideal employer” choices. The second and third most popular sectors were accounting and audit, and fast-moving consumer goods (FMCG). However, these two sectors lagged far behind, each with around 11 per cent of student choices. The popularity of banking as a career choice in the UK reflects the dominance of the financial services industry there. It is also a reflection of the prestige associated with working in the City of London, the world’s largest international financial centre.

Figure 3. Industry popularity among UK business students, 2008 to 2014



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

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



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

UK students want to be competitively and intellectually challenged

In 2014, the desire among banking-inclined students to be competitively and intellectually challenged was stronger than in the previous year. (See Figure 4.) Just under half (48.0 per cent) of banking-inclined students cited this as their top career goal, alongside work-life balance. Work-life balance is less of a priority for banking-inclined students than for other UK business students. Banking-inclined students in the UK also want an international career much more than their counterparts in other countries. This perhaps reflects the international nature of the banking sector, and the fact that the City of London is home to over 250 global banks.⁵

It also appears that UK banking-inclined students want to develop their leadership skills and take on more responsibility in their careers. The number putting the need “to be a leader or manager of people” among their top three career goals jumped to 43.0 per cent in 2014, compared to 33.7 per cent in the previous year. The desire to be a leader now ranks fourth out of nine career goals.

Profile of a UK banker

Banking continues to appeal to men more than to women. While more than three-fifths of the business students in the UK survey were women, they made up less than half of the numbers inclined towards banking; and this proportion has slightly declined since last year.

Figure 5. Student demographics, UK, 2014

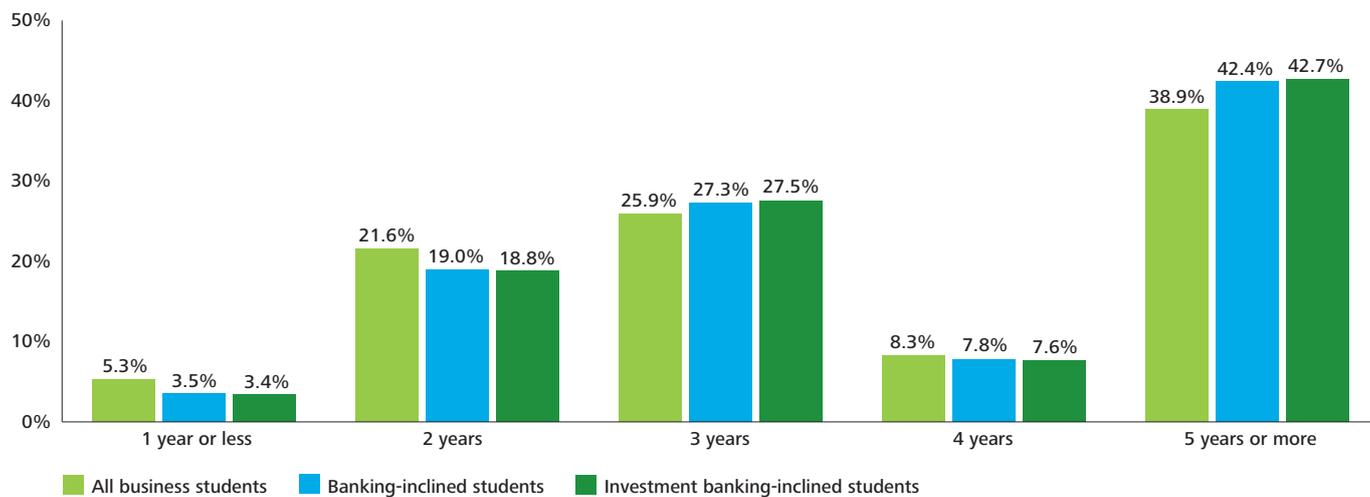
	All business students	Banking-inclined students	Investment banking-inclined students
Female	62.7%	48.2%	47.6%
Male	37.3%	51.8%	52.4%
Number of students	6,107	2,493	2,395
Average age	21.5	21.4	21.4

Source: Universum Talent Survey 2014; Deloitte analysis

However, there is a bright spot for UK-based investment banks. Over the past few years, many of the large investment banks have poured money into recruitment campaigns to persuade female undergraduates that banking is an attractive career choice. The initiative may have paid off. Just under a half (47.6 per cent) of those students considering a career in investment banking are women, compared to just 43.3 per cent across all markets surveyed.

⁵ Source: TheCityUK. See: <http://www.thecityuk.com/research/our-work/reports-list/key-facts-about-the-uk-as-an-international-financial-centre/>

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



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

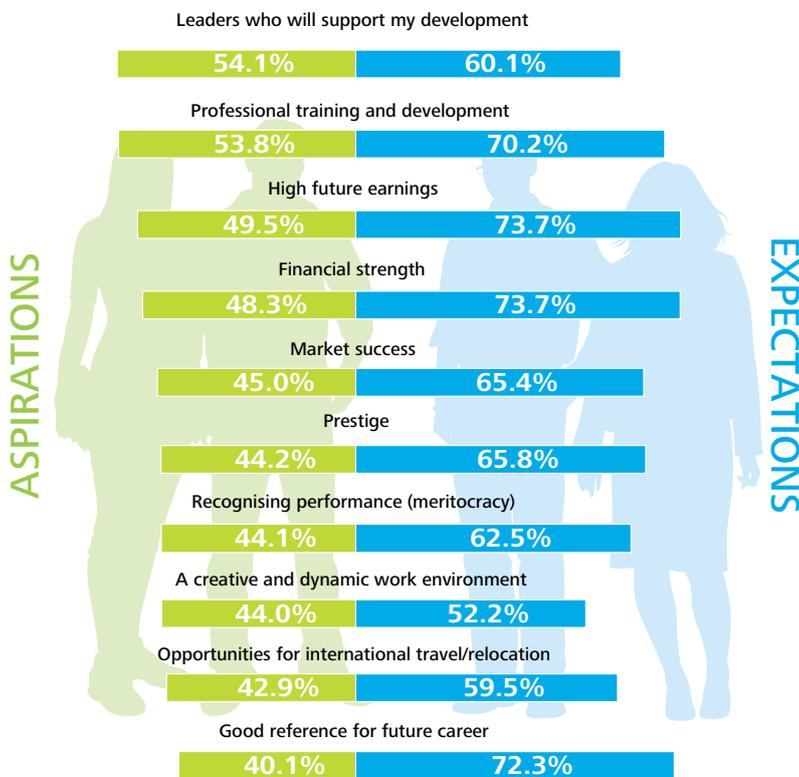
Students were asked to choose up to 12 attributes, out of a total of 40, that they most sought for their five shortlisted “ideal employers”. The ten attributes that scored most highly for banking-inclined students are shown in the green bars in Figure 7 – “aspirations”.

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.

Banking-inclined and investment banking-inclined students in the UK expect a longer tenure in their first job than do other UK business students. 42.4 per cent of UK banking-inclined students expect their first jobs to last for at least five years, compared to 38.9 per cent of business students in total. UK banking-inclined students also expect their first job to last longer than their counterparts in other countries.

Figure 7. UK banking-inclined students' aspirations versus expectations, 2014



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

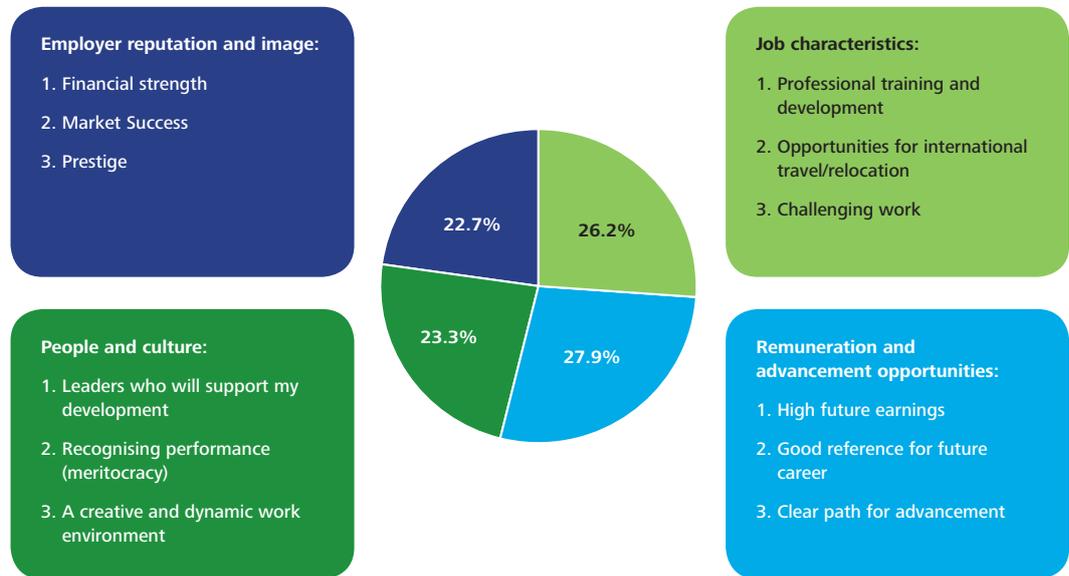
What students want versus what they expect from an employer?

The top priorities for banking-inclined students in the UK are to have “leaders who will support my development”, “professional training and development” and “high future earnings”. The good news is that they strongly associate jobs in the banking sector with these three attributes.

On the other hand, less than half of banking-inclined students rate “prestige”, “market success” and “financial strength” as priorities, even though these attributes are also strongly associated with the banking sector.

“Opportunities for international travel/relocation” is ranked by UK banking-inclined students as the ninth-most attractive attribute of a career. Again, this is strongly associated with the banking sector. UK banking-inclined students rated this attribute higher than their counterparts in other countries, reflecting the international nature of the City of London.

Figure 8: Attractiveness of categories of job characteristics, UK banking-inclined students, 2014



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

Instant rewards were not highly rated by either banking-inclined or investment-banking-inclined students despite financial reward being strongly associated with the banking sector. Less than a quarter of banking-inclined students rated “performance-related bonus” as a priority when choosing an employer (23rd most important attribute out of 40), despite bonuses being strongly associated with the sector (9th most expected attribute).

However, money still matters to banking-inclined students. Job attributes were grouped into four categories. (See Figure 8.) Students were asked to divide 100 per cent between the four based on the importance they attach to each. “Remuneration and advancement opportunities” were the most important factors in finding an employer attractive. The least important category for banking-inclined students was “employer reputation and image”. These priorities may hint at why banking remains by far the most popular employment sector in the UK, despite the financial crisis and the subsequent banking scandals.

How the image of banks compares to the average employer

Business students do not expect banks to offer “acceptance towards minorities” or “support for gender equality” as much as they expect the average employer to, with only 37.3 per cent and 38.8 per cent of students expecting banks to offer these compared to 41.4 per cent and 42.5 per cent for an average employer, respectively. This may have implications for investment banks when it comes to attracting talent from around the world.

Why banks are not considered ideal employers

“Reputation”⁶ was one of the top three words associated with why some business students were not more attracted to a job in banking. This is no surprise. The banking sector is still contending with reputational issues such as the Libor-fixing scandal and the mis-selling of payment protection insurance.

6 Survey question: “You indicated that you’d consider working for these employers (banks), but you didn’t choose them as ideal. What would these employers have to be significantly better at to persuade you to choose them as Ideal Employers compared to your current choices?”

Appendix

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".

Banking popularity by market is calculated as the number of times banking employers 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".

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".

Industry popularity is calculated as the number of times employers from that industry are short-listed among the 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 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: "Please divide 100 points between the alternatives in accordance with importance. In order to move on the points should sum up to 100."

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