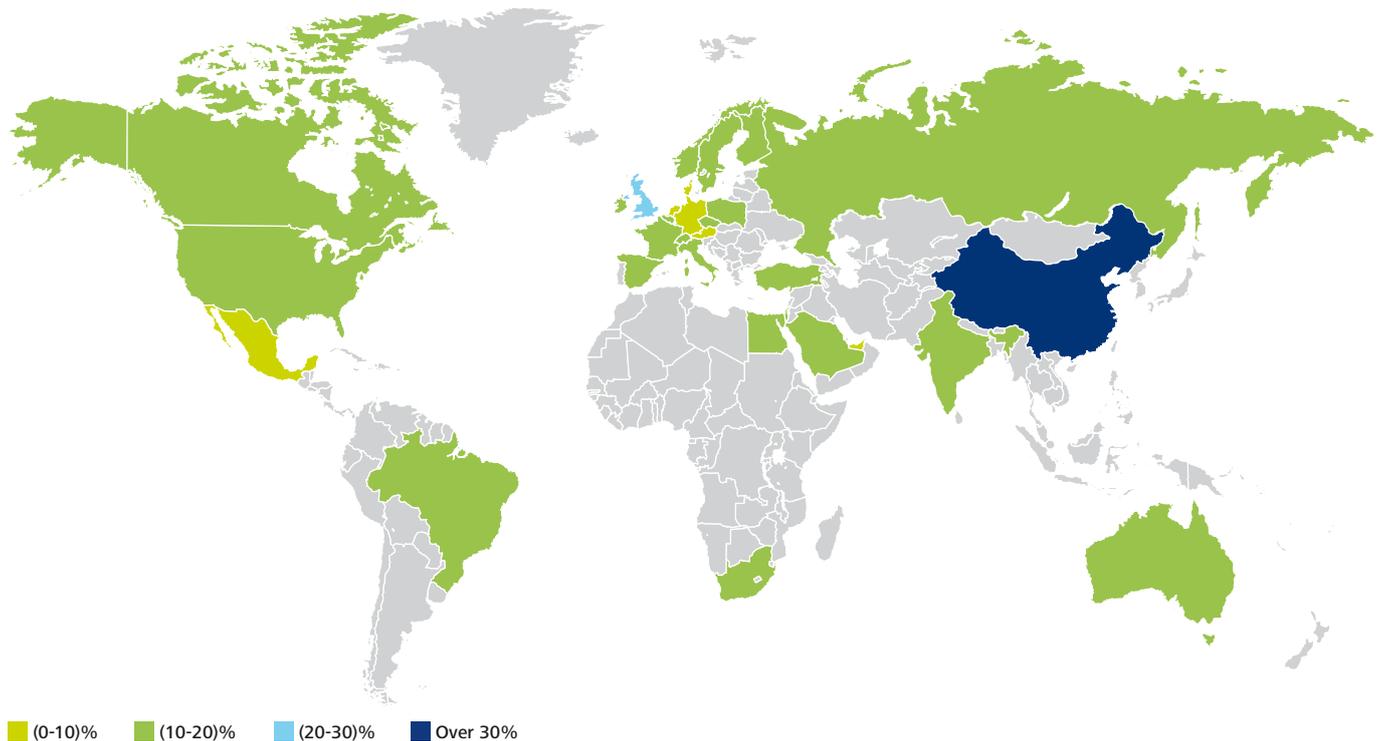


The Deloitte Talent in Banking Survey 2015 Austria in Focus

Survey findings

Figure 1. Popularity of banking as a career choice among business students, globally, 2015



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

Banking at the bottom

Just six per cent of the businesses chosen as 'ideal' employers by the 3,728 Austrian business students surveyed for the 2015 Deloitte Talent in Banking survey were banks. Of the 30 territories surveyed, none scored lower in this regard.

Where do the women go?

As in most markets, significantly more (almost 60 per cent) of the 3,728 business students surveyed in Austria for the Talent in Banking report were female. However, the proportion of women among banking-inclined students was lower, at just over 54 per cent. And women make up less than a quarter of those considering working in investment banks.

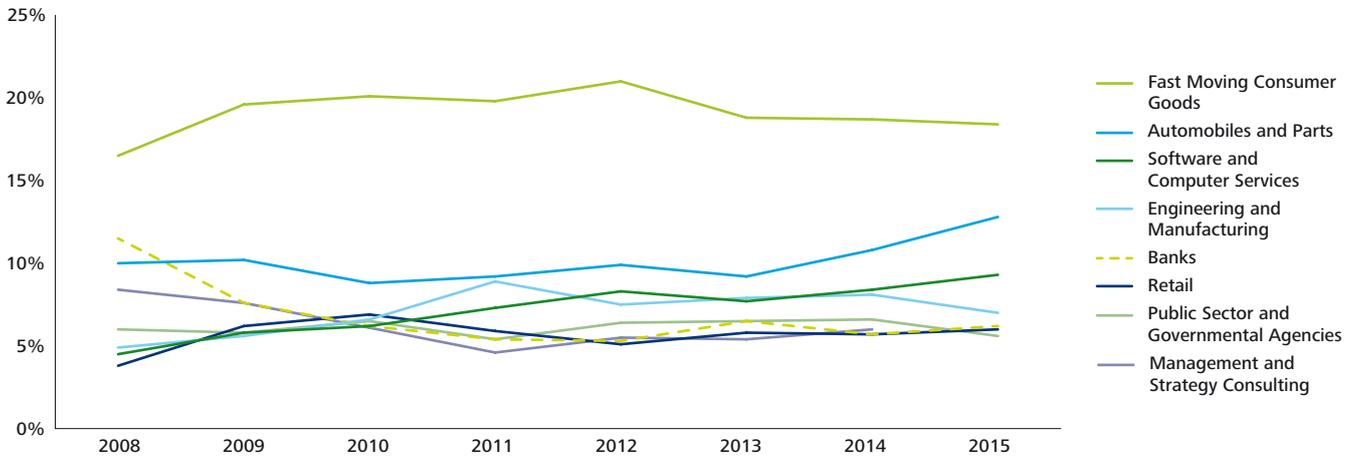
Their failure to appeal to women in Austria may be causing investment banks to miss out on a rich seam of talent and potential.

Figure 2. Student demographics, Austria, 2015

	All business students	Banking-inclined students	Investment banking-inclined students
Female	59.1%	54.2%	24.4%
Male	40.9%	45.8%	75.6%
Number of students	3,728	567	133
Average age	22.7	22.4	22.5

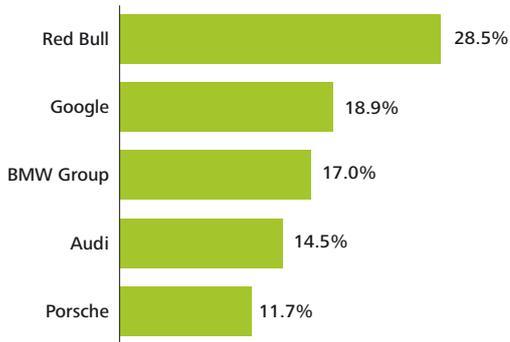
Source: Universum Talent Survey 2015; Deloitte analysis

Figure 3. Industry popularity among Austrian business students, 2008 – 2015



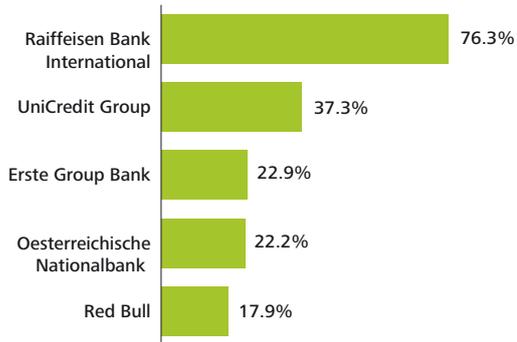
Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Figure 4. Top five most popular employers, Austrian business students, 2015



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

Figure 5. Top five most popular employers, Austrian banking-inclined students, 2015



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

A (Red) Bull market?

As in every year since 2008, fast moving consumer goods (FMCG) remains by far the most popular industry among Austrian business students, with a higher share than in most other surveyed countries. This appears to be at least partially due to the dominant position of Red Bull (the largest global brand of Austrian origin)¹ in the table of preferred employers.

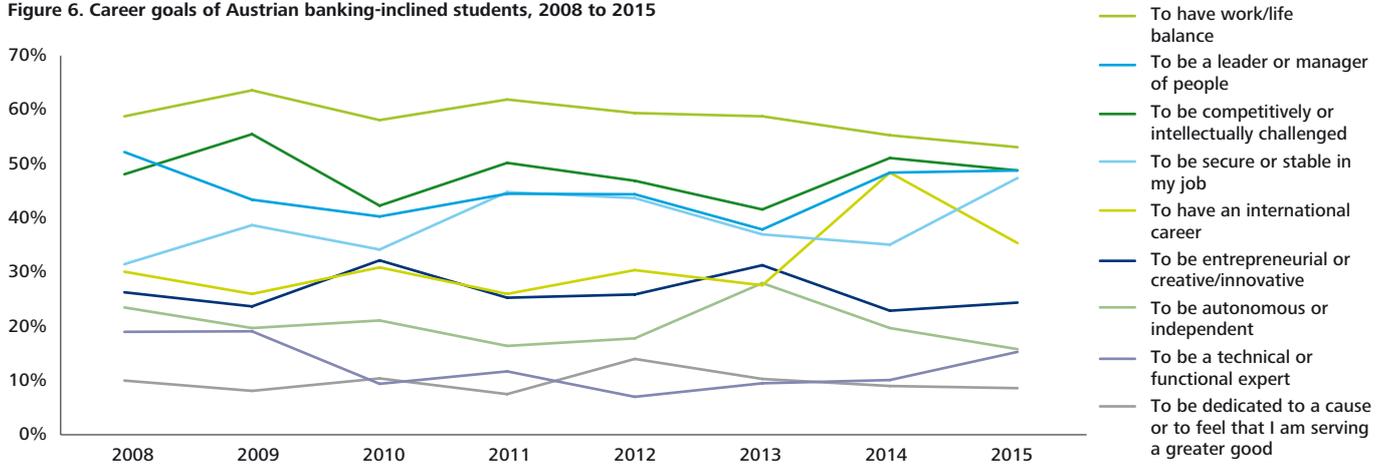
This year, however, the automotive industry has made inroads into the FMCG lead, achieving its highest share since the survey began. This growing importance is also reflected in the dominance of motor manufacturers among the top five most popular employers, where Porsche has displaced Raiffeisen Bank International to be listed alongside Audi and BMW.

Despite the absence of any bank in the top five, the industry has risen marginally in popularity in Austria since 2014. However, it has not quite reached the level of 2013 and is nowhere near the heady days of 2008, when it was a clear second to FMCG.

For some years now, banking has ranked behind software and computer services, and engineering and manufacturing in terms of popularity, as well as regularly swapping places with retail and the public sector. This suggests that Austria’s banks still face considerable challenges in attracting the best young talent as the reputational impact of the financial crisis continues to linger.

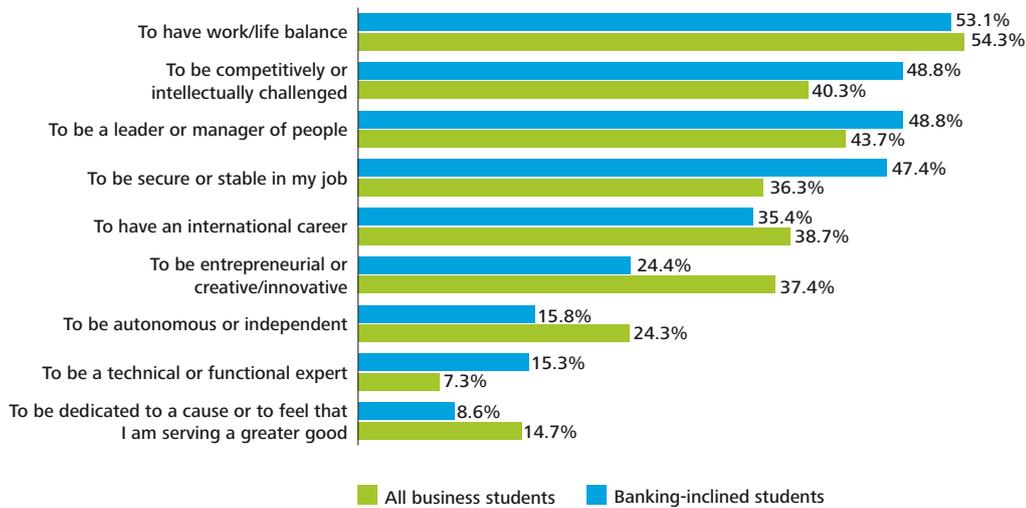
Austria’s Raiffeisen is the most potent force in attracting the country’s banking-inclined students. Raiffeisen Bank International heads the three Austrian financial institutions in the top five (the other two being Erste Group and the Oesterreichische Nationalbank, the central bank), leaving Italy’s Unicredit Group as the only non-Austrian organisation to feature. Deutsche Bank hovers just outside the top five, in seventh place.

Figure 6. Career goals of Austrian banking-inclined students, 2008 to 2015



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

Figure 7. Career goals of all Austrian business students and Austrian banking-inclined students, 2015



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

Stability above all

Over the last year there has been a big rise (by 12.3 percentage points) in the desire for ‘job security and stability’ among banking-inclined students. This is now ranked 21 percentage points ahead of neighbouring Switzerland, and also stands at a considerably higher level than among all business students.

Its rise also coincides with a decline in the popularity of ‘work/life balance’ (which nonetheless remains the leading career goal), and ‘autonomy or independence’, both of which are at their lowest point since the survey began.

These changes suggest that some students are increasingly seeking a safe working environment, in which their employer will protect their long-term interests. This view appears to be supported by a sudden increase in the proportion of those desiring the security of being a ‘technical or functional expert’, which is at its highest since the economic trough of 2009.

The growing emphasis on security is not at the expense of ambition, however. The proportion of those wishing to be a ‘leader or manager of people’ has remained constant over the past two years, and is on a par with those seeking a ‘competitive or intellectual challenge’. These occupy joint second place in the list of goals held by banking-inclined students, each some way ahead of all business students.

An exceptionally low proportion of Austria’s business students, whether banking-inclined or not, wish to be ‘dedicated to a cause or to feel they are serving a greater good’: only neighbouring Switzerland returns a similarly low score.

Figure 8. Expected annual salary (EUR), Austria, 2015

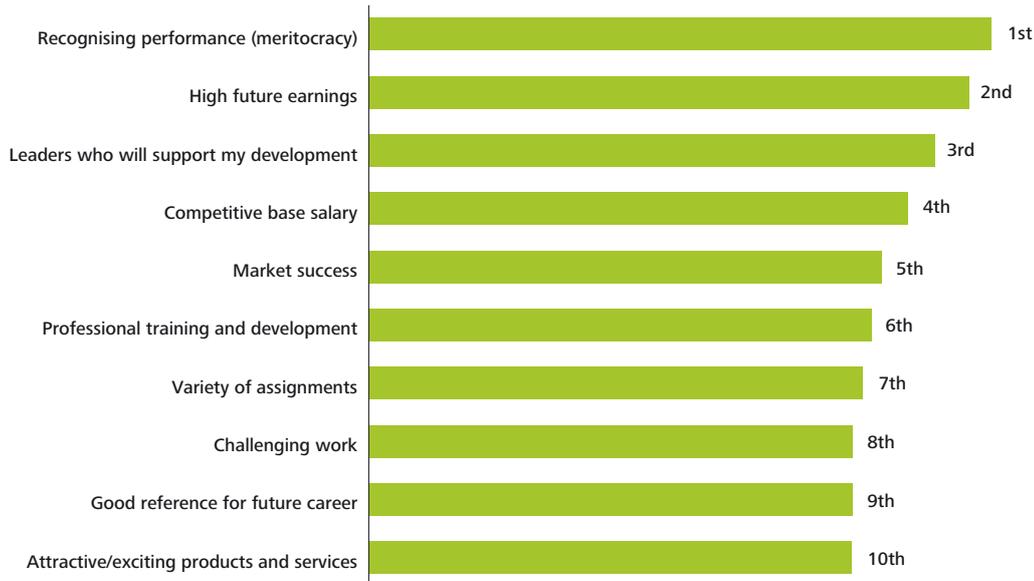


Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Modest expectations

Where Austria and Switzerland differ most starkly, however, is in the area of first-salary expectations. Austria’s students expect to receive rather less than half the remuneration anticipated by their Swiss counterparts, and significantly less than those in comparable EMEA countries like the UK, Denmark and Norway. In Germany, expectations among all business students (€ 42,438), the banking-inclined (€ 48,339) and the investment banking-inclined (€ 50,823) are also significantly higher than in Austria.

Figure 9. Austrian banking-inclined students’ aspirations, 2015



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

Figure 10. Austrian banking-inclined students’ expectations, 2015



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

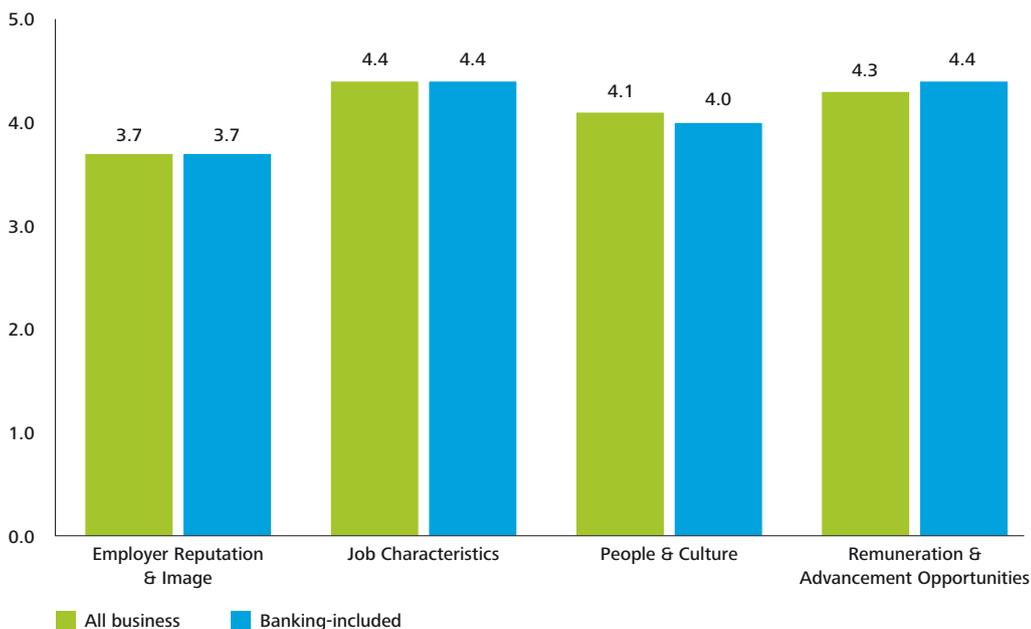
The merits of meritocracy

Deloitte sought to find out to what extent, and in which areas, the aspirations of banking-inclined students converge with, or deviate from, what they most expect from a career in banking. The questions uncovered reasons for optimism as well as concern.

The number one aspiration was for a 'meritocracy'. Associated with this desire is the aspiration for 'high future earnings', which also feature in the top ten expectations. The third-ranked aspiration – to have 'leaders who will support my development' – just sneaks into the top ten expectations. The desire for 'professional training and development', meanwhile, is also high on the list of expectations.

However, aspirations for a 'competitive base salary', 'market success', 'variety of assignments' and 'attractive or exciting products and services' do not feature at all among the top ten expectations, suggesting that banks need to address several aspects of their reputation. Likewise, the high placement of 'challenging work' and 'high level of responsibility' among students' expectations is not matched in their aspirations, suggesting that these factors are perceived as "necessary evils" of a banking career.

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



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

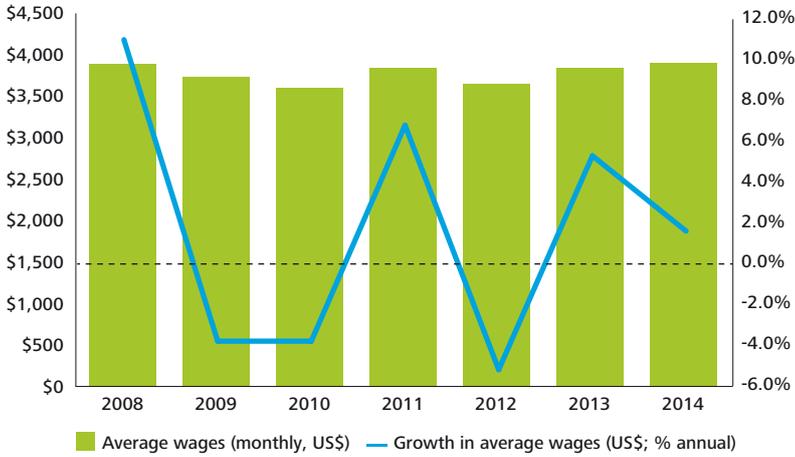
Weighing up the drivers of choice

When it comes to the relative importance of different job characteristics, there are just a few small differences between the views of all business students and of the banking-inclined subset. As in many other markets, the 'people and culture' aspects of a job (such as 'supportive leaders', 'recognition' and 'a creative working environment') are marginally less important for banking-inclined individuals than for all business students.

'Remuneration and advancement opportunities' are also slightly more important aspirations for Austria's banking-inclined students than for the population of business students as a whole, again matching results from many of the surveyed markets.

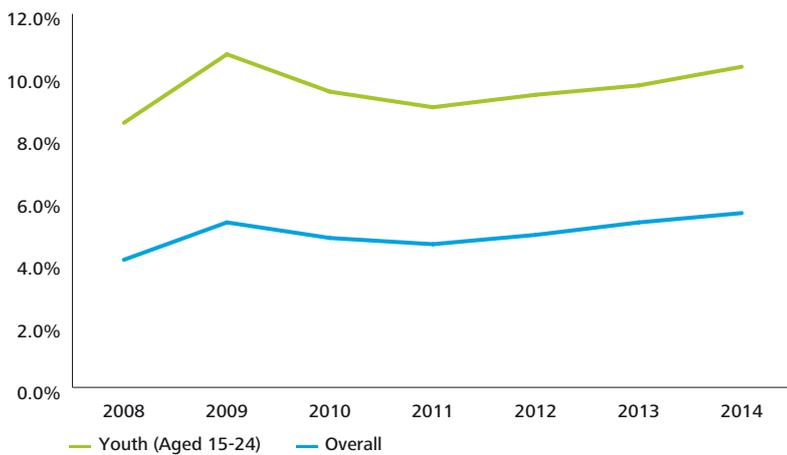
Macroeconomic context

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



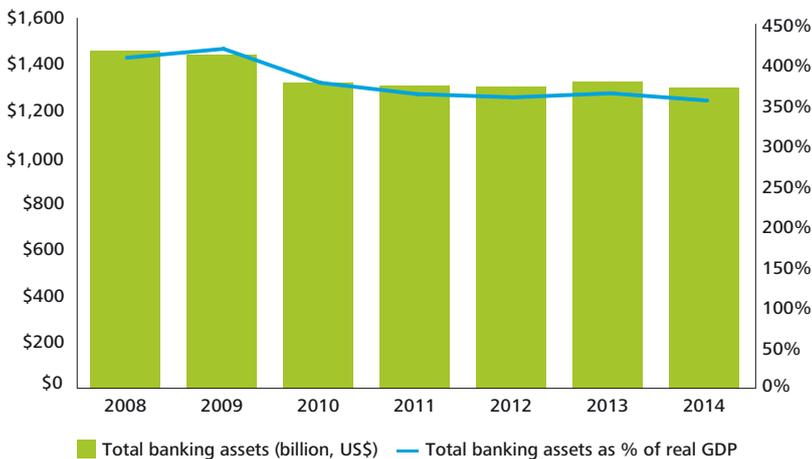
Source: Economist Intelligence Unit
See Appendix for notes

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



Source: OECD

Figure 14. Total banking assets in US\$ bn and as % of real GDP, Austria, 2008-2014



Source: Total banking assets, Economist Intelligence Unit; GDP, OECD
See Appendix for notes

Since the financial crisis of 2007-2008, bank bail-outs are estimated to have cost Austria 11 per cent of its GDP. The situation follows a disastrous expansion of Austrian banking activities in Eastern Europe, which, according to Fitch, had by the spring of 2015 led to bank exposure of EUR 194 billion, a sum equivalent to 59 per cent of Austria's GDP.²

As a result, the emphasis within the Austrian banking industry is squarely on regulatory reform and restructuring,³ driving demand for managers experienced in areas like compliance, internal audit and risk management, and leaving little appetite for other urgent cultural or organisational change tasks.⁴

Banking has also declined in importance within the Austrian economy. Between 2008 and 2014, Austria's total banking assets slipped from US\$ 1,457 billion (€1,034 billion) to US\$ 1,297 billion (€1,067 billion); however, as can be seen in the slight increase when these figures are converted into euros, this decrease was at least partially due to the weakening of the euro against the dollar. That said, total banking assets as a percentage of GDP fell significantly, falling from 408.1 per cent of GDP to 355.3 per cent.

In 2014, average monthly wages finally surpassed the level of 2008, up by 1.6 percent from 2013 to register US\$ 3,898 (€ 3,207). Unemployment in 2014 was slightly higher at 5.6 per cent than the previous year, while youth unemployment (among people aged 15 – 24) reached its highest point since 2009 at 10.7 per cent.

Appendix

Terminology

Business students = students studying business-related subjects.

Banking-inclined students = business students who put at least one bank (retail, investment or universal) in their top five 'ideal employers' when offered a list of potential employers to choose from.

Investment banking-inclined students = business students who put at least one investment bank in their top five 'ideal employers' when offered a list of potential employers to choose from. It is a subset of the number of banking-inclined students.

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". 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 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 by market is calculated as the number of times employers for that industry are short-listed among the 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: "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 6

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 7

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 8

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

Note to Figure 9

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 10

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

Total banking assets for 2009-2014 are Economist Intelligence Unit estimates.

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

Fluctuations in total banking assets could be partially due to changes in the EUR/US\$ exchange rate.

Endnotes

1. "Best brands in Austria", Brand Finance 2015. See also: <http://brandirectory.com/brands/country/austria>
2. "Eurozone faces first regional bankruptcy as debt debacle stalks Austria's Carinthia", The Daily Telegraph, 3 March 2015.
See also: <http://www.telegraph.co.uk/finance/economics/11447805/Eurozone-faces-first-regional-bankruptcy-as-debt-debacle-stalks-Austrias-Carinthia.html>
3. "The Traumatic Restructuring Of Austria's Cooperative Banking System", Forbes, 1 May 2015.
See also: <http://www.forbes.com/sites/francescoppola/2015/04/30/the-traumatic-restructuring-of-austrias-cooperative-banking-system/>
4. Deloitte analysis

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