Survey findings

The Deloitte Talent in Banking Survey 2015
Denmark in Focus

Low proportion sees banking as ideal
In the 2015 survey, just eight per cent of the businesses chosen as ‘ideal employers’ by the 4,515 Denmark-based business students covered by the survey were banks. Of the 30 markets surveyed globally, just two – Germany and Austria – recorded a lower score. Deloitte expects banking to become more popular in Denmark in future, as improving financial strength, combined with digital innovation, attracts new young talent and people from outside the sector.

From Deloitte’s observations, the focus of the country’s largest banks in recent years appears to have been on recruiting experienced operators to lead process-simplification and other transformational projects, rather than on graduate recruitment. However, digitisation and an enhanced customer experience are becoming new priorities, suggesting there may be a shift in emphasis in recruitment strategies.

An example of digitisation is Danske Bank’s MobilePay, a smartphone application that allows the user to transfer and receive money. Using such applications as a digital ‘spearhead’, combined with strengthening financial performance, may improve banks’ appeal to new talent.

In addition, Deloitte observes that the best talent is seeking a more performance-driven culture, along with clearer target-setting, continuous feedback and dialogue and a better defined career path. However, there is a widespread belief that many banks have failed to create a leadership pipeline in the past, making it difficult for young talent to assess where their career may take them. This is something that banks are working hard to rectify.
Figure 2. Industry popularity among Danish business students, 2008-2015

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

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

Lego: 25.6%
A.P. Møller – Mærsk: 21.3%
Novo Nordisk: 18.9%
Carlsberg: 18.3%
Professional services firm: 12.3%

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

Figure 4. Top five most popular employers, Danish banking-inclined students, 2015

Nordea: 46.9%
Saxo Bank: 27.1%
Nykredit: 24.0%
Danske Bank: 22.0%
A.P. Møller – Mærsk: 21.7%

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

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Fierce competition for graduate talent

Banks are not popular in Denmark, ranking a lowly sixth-most-popular industry among business students, compared to second globally. However, this represents an improvement on the prior year. The sector’s popularity rose slightly, overtaking auditing and accounting, in 2015. Banking remains well below the level of 2008, when it was the third choice sector.

While fast moving consumer goods (FMCG) remains the most popular sector, as it has been since 2012 – possibly due to the dominance of Carlsberg as a world-class Danish brand – engineering and manufacturing has shown a sudden surge in popularity to achieve its second-highest level in the history of the survey.

Competition for the best talent is, therefore, fierce across many sectors. Banking has also slipped behind transportation and logistics in recent years in terms of popularity, as shown by the presence of shipping company A. P. Møller – Mærsk in the list of ‘ideal employers’.

Even the pharmaceuticals and biotechnology sector, which has slipped back to eighth place after having overtaken banking in previous years, has the advantage of being spearheaded in students’ affections by Novo Nordisk.

With few internationally large Danish-owned banks to promote the sector’s popularity, banks need to promote the sector’s benefits more aggressively to attract the best talent. This is particularly testing at a time when the onward march of digitisation and regulatory change are coinciding to create an uncertain future within the sector.

Among banking-inclined students, the Stockholm-headquartered trans-Nordic giant Nordea, whose roots include a strong Danish element, dominates the top five despite some current image-related issues.2 Saxo Bank then heads a run of Danish banks, emphasising the importance of local ownership, which is seen in many surveyed territories. A. P. Møller – Mærsk interrupts this run, which continues with Jyske Bank in sixth place. Danske Bank’s popularity may increase as it rapidly gains in both reputational and financial strength.3

Figure 5. Career goals of Danish banking-inclined students, 2008-2015

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

Danish banking-inclined students’ career goals differ markedly from their global peers, who care most about ‘work/life balance’ and ‘job security’. By contrast, Danish banking-inclined students’ top career goal is ‘to be a leader or manager of people’, which ranks far higher for them than for all business students.

The highest career-goal score in the history of the Talent in Banking survey in Denmark was recorded in 2014, when 59.3 per cent of surveyed banking-inclined students said they wished to be ‘competitively or intellectually challenged’. Just a year later, this score has fallen by 13 percentage points (even though it is still higher than among all business students).

The desire for good ‘work/life balance’ is still relatively highly rated among banking-inclined students, despite a consistent decline since 2010, and a lower score than among all business students. It has been firmly replaced in third spot in recent years by the aim ‘to have an international career’.

These results might suggest that career goals are gradually outpacing more lifestyle-based areas of personal fulfilment for Denmark-based students. Strong support for ‘dedication to a cause or greater good’ – the highest found in all 30 surveyed territories – indicates a strong level of ethical awareness, even though this is significantly lower among banking-inclined students than for the sample as a whole.
Relative realism?
First-salary expectations among Denmark’s banking-inclined students are almost 6 per cent higher than those of all business students. They are also higher than those in the UK, despite London’s unique position in the global financial services industry, but are still relatively realistic given the high average wages paid across all sectors of the Danish economy (see Figure 12).

Figure 8. Danish banking-inclined students’ aspirations, 2015

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

Figure 9. Danish banking-inclined students’ expectations, 2015

Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions
A lack of convergence

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.

It is not surprising that ‘high future earnings’ is highly placed among both the aspirations and the expectations of banking-inclined students. As the top aspiration (out of 40 job attributes) and second-placed expectation, ‘high future earnings’ is aspired to, and expected, among Danish banking-inclined students to an even greater extent than among banking-inclined students globally, where this attribute is ranked as the second highest aspiration and the third highest expectation.

However, this is largely where any convergence between the most important aspirations and expectations comes to an end. Unfortunately for banks, the second highest aspiration (for ‘leaders who will support my development’) is only the 12th most highly rated expectation. And neither the leading (‘financial strength’) nor the fourth (‘high level of responsibility’) expectations feature among the top ten aspirations, suggesting that students are not interested in them.

These results suggest that there is currently a mismatch between what banks are perceived to offer and what young Danish talent is looking for. This must be a concern at a time of change as banks continue to develop and deliver their digital strategies.

Weighing up the drivers of choice

When it comes to the relative importance of different job characteristics, there is little substantive difference between the views of all business students and the banking-inclined subset. As in many other surveyed territories, however, the ‘people and culture’ aspects of a job (such as ‘supportive leaders’, ‘recognition’ and ‘a creative working environment’) are slightly less important for banking-inclined individuals than for all business students. The opposite is true when it comes to ‘remuneration and advancement opportunities’, again reflecting the importance of high earnings to Denmark’s students.

A male bias

In Denmark, banking as a career option is significantly more popular among men than women – the high proportion of female business students is more than overturned when we look at those students who place at least one bank among their top five ‘ideal’ employers.
Macroeconomic context

Despite a small improvement in 2012, the years following the financial crisis of 2008 have seen a significant fall in Denmark’s total banking assets (TBA), from a peak of US$ 1,327 billion to US$ 1,081 billion. GDP has remained largely unchanged in recent years (at the same level in 2014 as in 2011, but lower nonetheless than in 2008). The fall in TBA, however, means that banking’s importance to the Danish economy has declined substantially, from 552 per cent of GDP in 2008 to 461 per cent in 2014.

Average monthly wages in Denmark were still somewhat lower in 2014 (US$ 5,342) than in 2011 (US$ 5,376), although they do not appear to have been as seriously affected as those in many surveyed territories.

Denmark remains a high-wage economy, with few international peers covered by the Talent in Banking survey having a higher average wage.

In 2014, both general and youth (those aged 15 to 24) unemployment in Denmark fell to their lowest rates since 2009. While overall and youth unemployment dropped in both 2013 and 2014, unemployment rates still remain far higher than 2008 levels, owing to a post-crisis spike in unemployment in 2009 and 2010.
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.

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”. 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: “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: “What is your expected salary before tax at your first employment after graduation, excluding commission and bonus?”

Note to Figure 8
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 9
Survey question: “Which of the following [40 attributes] do you associate with your chosen employer(s)?”

Note to Figure 10
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 DKK/US$ exchange rate.

Note to Figure 14
Total banking assets for 2010-2014 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 DKK/US$ exchange rate.

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Endnotes


2. “Swedish banks fined over lax anti-money laundering controls”, Financial Times, 19 May 2015. See also: http://www.ft.com/cms/s/0/4dea5a3e-fe22-11e4-9f10-00144feabdc0.html#axzz3jkby1Mpg

3. “Danske Bank raises profit forecast as it continues to recover”, Financial Times, 30 October 2014. See also: http://www.ft.com/cms/s/0/82867cba-6015-11e4-88d1-00144feabdc0.html#axzz3jkby1Mpg
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