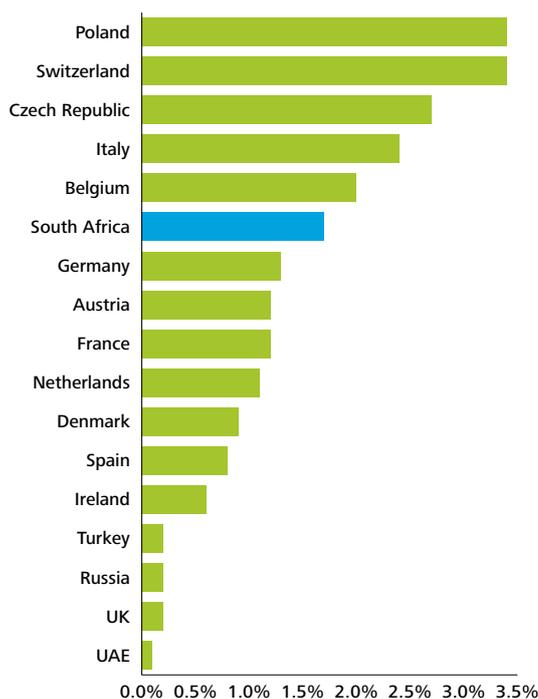


The Deloitte Talent in Insurance Survey 2014 South Africa in focus

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 Universum surveyed about 700,000 students and professionals, including 174,000 business students in 31 markets. Aggregate data from the 31 markets was also used to compile a global insurance report. In-focus reports have been produced for 17 countries in EMEA: Austria, Belgium, the Czech Republic, Denmark, France, Germany, Ireland, Italy, the Netherlands, Poland, Russia, South Africa, Spain, Switzerland, Turkey, the UAE and the UK.

Figure 1. Popularity of insurance among business students, EMEA, 2014



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

Overview

Insurance is relatively popular in South Africa

Insurance is more popular with business students in South Africa than in most other countries surveyed.¹ However, its popularity is falling and is much less than for other business sectors.

The need to lead

The top career goals for insurance-inclined students in South Africa are "to be a leader or manager of people" and "to be entrepreneurial or creative", whereas for insurance-inclined students globally the preference is "to have work-life balance".²

Ethical standards

South African insurance-inclined students are much more concerned with ethical working and being dedicated to a cause than their peers in other countries.

Client interaction – more expected than wanted

Although they expect insurers to offer "client interaction" and "prestige" to their employees, students in South Africa considering a career in insurance are relatively uninterested in these areas.

Where do South African students want to work?

By international standards, South Africa's insurance sector is one of the most popular, ranking sixth out of a total of 17 EMEA markets surveyed (Figure 1).

However, insurance is a long way from competing for popularity with the most popular industry sectors. Only 1.7 per cent of business students selected an insurer as one of their five "ideal employers", compared with the 14.6 per cent identifying the public sector, which was the most popular choice (Figure 2).³ To add to insurers' concerns, their industry appears to be becoming less popular.

The lack of interest in insurance does not seem to be a problem facing financial and professional services generally. Accounting and banking are the second and third-most popular sectors respectively.

¹ Business students are students studying business-related subjects, including vocational subjects for insurance such as actuarial science and risk management.

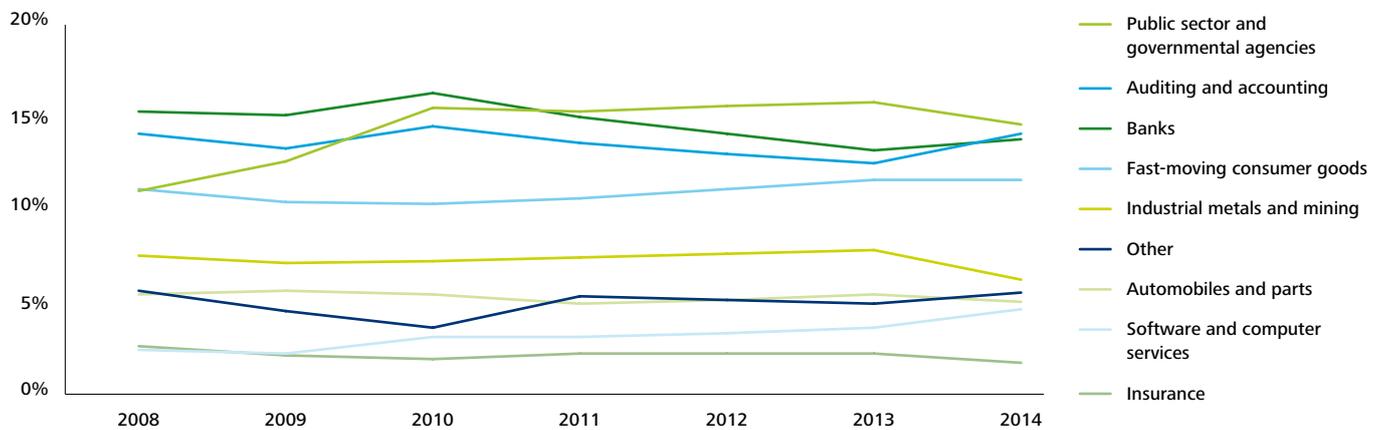
² Insurance-inclined students are business students who put at least one insurer in their top five "ideal employers" when offered a list of potential employers to choose from.

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".

Software and computer services is among the top six sectors in every other market in the survey, but is not as popular in South Africa. In no fewer than 14 out of 17 EMEA markets, Google is one of the top three “ideal employers” for business students. In nine of these markets it came out top. Anecdotal evidence suggests that in many of these countries, financial services firms are struggling to recruit IT specialists, who would prefer to work at Google or a similar high-tech employer. In South Africa Google is just 11th in the “ideal employer” rankings, up from 12th a year ago. It will be interesting to see whether it makes further headway here in years to come, as the economy develops.

The public sector, currently the most popular sector, has been in second or third place at other times in recent years. The SA Reserve Bank, which is classified as a public sector body for the survey, is the second-most popular “ideal employer” among business students in South Africa.

Figure 2. Insurance and the eight most popular industries, South African business students, 2008-14



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

Career goals: leadership and entrepreneurship

When asked to select three career goals from a list of nine, the top choice among South African insurance-inclined students was “to be a leader or manager of people” (Figure 3).

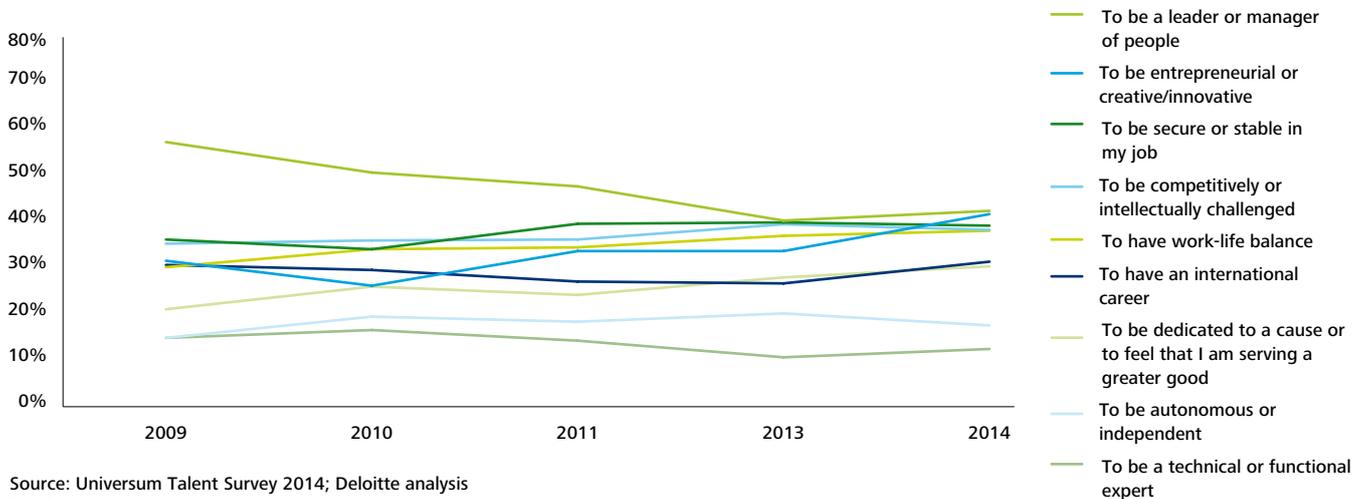
The biggest change since 2008 has been an increase in the desire “to be entrepreneurial or creative/innovative”, not something usually associated with entry-level roles in insurance.

The importance of job security as a career goal is significantly lower than the global average for insurance-inclined students.

It is interesting to note that 30.4 per cent of South African insurance-inclined students selected “to be dedicated to a cause”: this is seven percentage points more than the average for other countries.

This percentage figure has grown in recent years and fits in with a wider pattern of evidence that students in South Africa are more aware of social responsibility than their international peers in other countries.

Figure 3. Career goals of South African insurance-inclined students, 2009-14



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

What insurance-inclined students want from their first job

Forward-focus

Like their international peers, South African insurance-inclined students are forward-thinking. About half of them chose “professional training and development” and “leaders who will support my development” as one of their top 12 aspirations (out of a total of 40) that they most want from an employer (Figure 4).

Doing the right thing

Almost two-fifths (39.8 per cent) chose “ethical standards”. This is almost double the global average. Corporate social responsibility (at 26.9 per cent) also scored more highly than the global average (19.2 per cent).

This may reflect a social environment in South Africa where ethical standards cannot be taken for granted and so must be a positive choice. On the other hand, it may be that South African insurance-inclined students have a stronger moral compass than their international peers.

How insurers could broaden their appeal

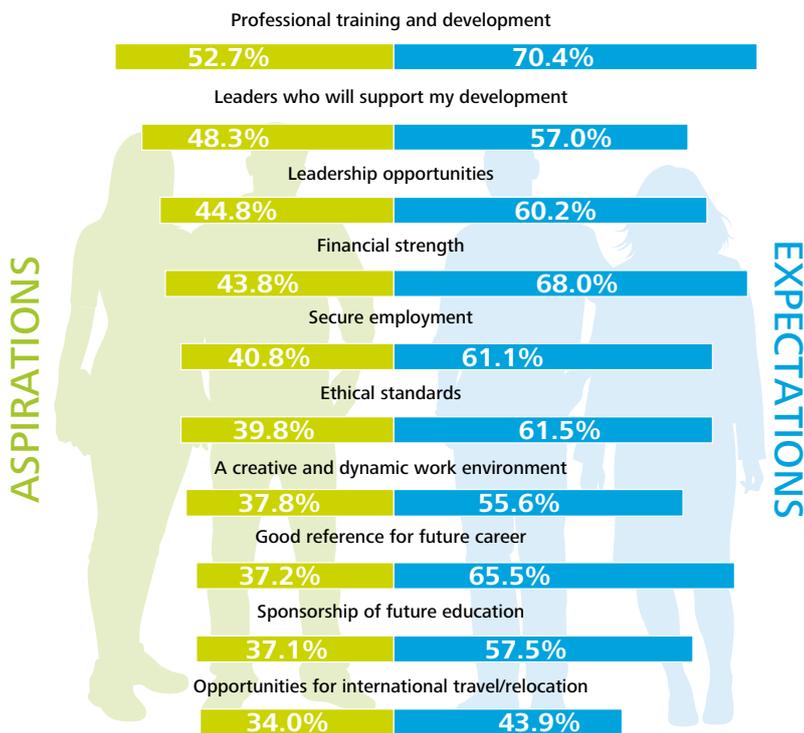
Deloitte looked at what insurance-inclined students most want from their employer, and what they most associate with insurers. Plotting the two against each other offers a view of where their aspirations and expectations coincide or diverge, and offers interesting insights to employers.

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 insurance-inclined students are shown in the green bars in Figure 4 – "aspirations".

Deloitte then extracted the extent to which insurance-inclined students expected to find each of these top ten aspirations in their shortlisted "ideal" insurers. Each blue bar represents the proportion of insurance-inclined students who expect to find this attribute at the insurer(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.

Figure 4. Top ten aspirations, South African insurance-inclined students, versus corresponding expectations, 2014



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

Figure 4 shows that insurance-inclined students in South Africa expect insurers to provide the things that attract them most in a job.

However, there are some job attributes that are relatively unappealing to students yet are still closely associated with the industry. It may be that insurers are placing too much emphasis on these aspects of work, or that students have unrealistic assumptions. For example, only 17.3 per cent of insurance-inclined students are interested in "client interaction", but almost two-thirds expect a job in the industry to provide this. Other areas in which expectations markedly exceed aspirations include "prestige", "challenging work" and "variety of assignments".

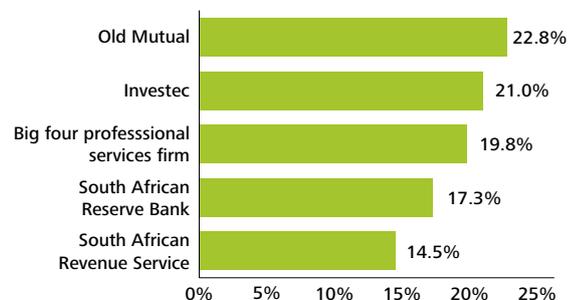
Gender balance

Insurance appears to be attracting women students more in South Africa than in other markets: on average across all markets in the survey, 51.4 per cent of insurance-inclined students were female, but in South Africa, the figure was 54.9 per cent. Even so, South African insurance firms are missing out on potential talent by appealing less to women than to men. The 54.9 per cent of women among South African insurance-inclined students is less than the 56.3 per cent of women among the total population of South African business students.

The most popular employers for insurance-inclined students

Insurers in South Africa should be aware of the strong competition for graduates from employers in other financial services. Students considering a career in insurance do not have their hearts set on it. Only one of their top five most "ideal employers", Old Mutual, is a company primarily focused on insurance.

Figure 5. Most popular employers, South African insurance-inclined students, 2014



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

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."

Insurance popularity by market is calculated as the number of times individual employers in specific industries 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."

Sector popularity is calculated as the number of times individual employers in specific industries are short-listed among the five "ideal employers".

Note to Figure 3

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 calculated as the percentage of students choosing each career goal on their shortlist of top three goals.

Note to Figure 4

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 [forty attributes] do you associate with your chosen employer(s)?"

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."

Contacts

Yuresh Maharaj

Partner

Insurance Lead
+27 (11) 8066204
ymaharaj@deloitte.co.za

Andre Rousseau

Associate Director

Insurance Consulting Leader
+27 (82) 3402256
arousseau@deloitte.co.za

Jack Sellschop

Director

Consulting
+27 (11) 5174223
jsellschop@deloitte.co.za

Peter Wright

Partner

EMEA Insurance Co-Leader
+420 246 042 888
pewright@deloittece.com

Fabien Sauvage

Partner

EMEA Insurance Co-Leader
+33 1 55 61 41 63
fsauvage@deloitte.fr

James O’Riordan

Partner

EMEA Insurance Co-Leader
+44 20 7007 4933
joriordan@deloitte.co.uk

Margaret Doyle

Partner

Head UK Financial Services Insight
+44 20 7007 6311
madoyle@deloitte.co.uk

About the authors

Margaret Doyle, Peter Evans and Patrick Quigley comprised the London-based Deloitte UK Financial Services Insight team, and Arun Menon, Ranganathan Tirumala and Jyoti Joshi the Hyderabad-based Financial Services research team that worked on this report.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte LLP is the United Kingdom member firm of DTTL.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte LLP would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte LLP accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2014 Deloitte LLP. All rights reserved.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Tel: +44 (0) 20 7936 3000 Fax: +44 (0) 20 7583 1198.

Designed and produced by The Creative Studio at Deloitte, London. 39495A