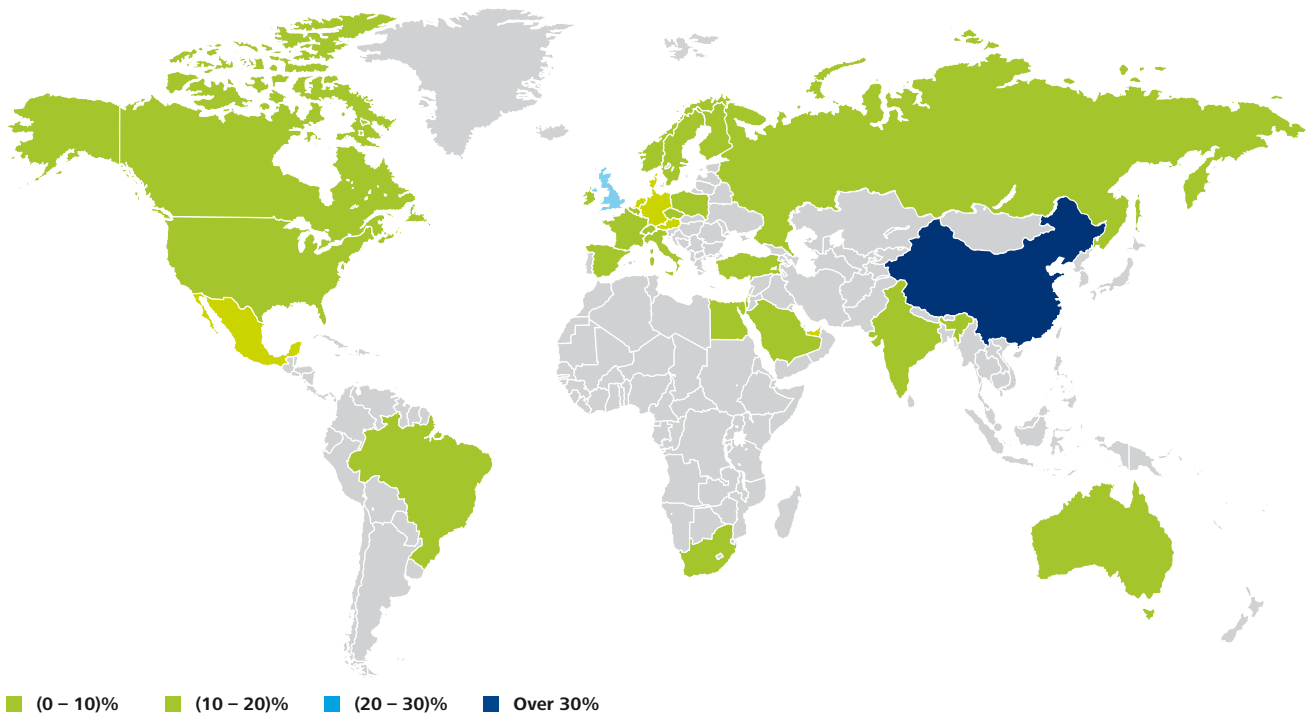


The Deloitte Talent in Banking Survey 2015 Ireland in Focus

In spite of some challenges, the banking sector in Ireland has proved a resilient career choice for business students over the last two years. However, despite considerable reform and an increasingly positive economic outlook, the sector continues to trail behind software and computer services and fast moving consumer goods (FMCG) in the competition for talent.

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

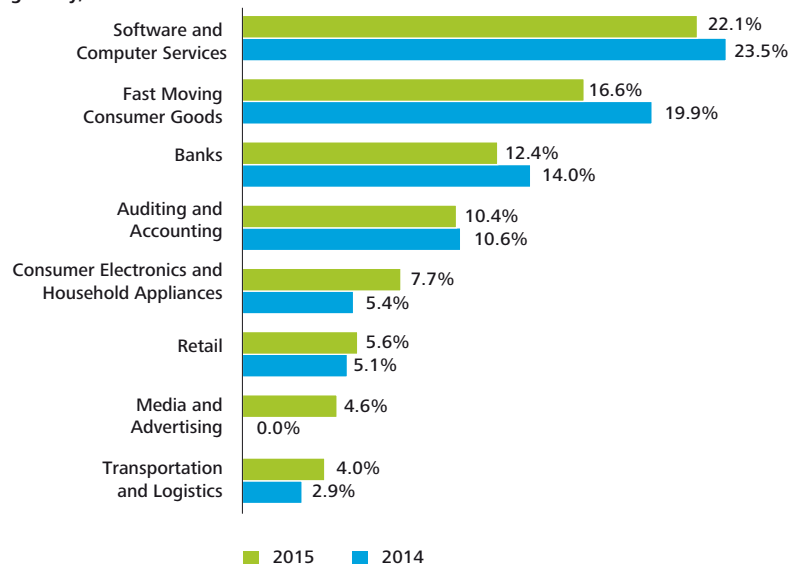


Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

The land of technology giants

In Ireland, Google is the most popular choice by a significant margin for the second year running. More than two-fifths of Irish business students selected it as one of their top five 'ideal employers' (see Figure 3). The American internet search giant is the most popular employer for business students in nine of the twenty EMEA markets surveyed. Furthermore, Apple and Facebook are the second and third most popular employers respectively in Ireland, highlighting the strength of software and computer services here.

Figure 2. Popularity of banking as a career choice among Irish business students globally, 2015



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

Banking trails software and consumer goods

Banking trails software and computer services and fast moving consumer goods (FMCG), the top two sectors, in popularity by a significant margin. All three declined in popularity in 2015 (see Figure 2).

'Work/life balance' dominates

'Work/life balance' is the top career goal for Irish banking-inclined students, followed by 'job stability and security'. These are also the top two career goals for banking-inclined students globally.

Gender (im-)balance?

Banking is less attractive to female business students in Ireland than it is across EMEA. The proportion of female banking-inclined students is 18 per cent lower than the proportion of female business students in Ireland (see Figure 10). Across EMEA, the drop-off is 16 per cent.

Tech giants and FMCG still the top career choices for Irish students

The most popular sector for Irish business students is the software and computer services sector. With Ireland home to the European headquarters of Google, Apple and Facebook, it is perhaps not surprising to see that these are the top three most attractive employers among Irish business students. FMCG is in second place, driven by the popularity of Coca-Cola, among others (see Figure 3).

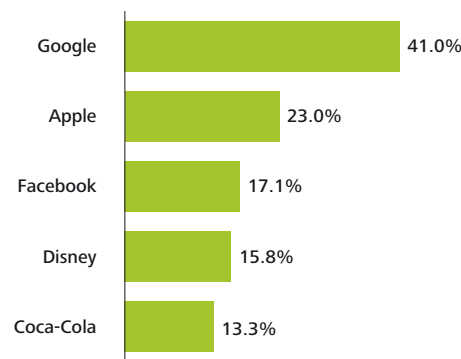
The popularity of software and computer services is a reminder of the challenges banking faces in the digital age. While many organisations in the sector are still figuring out the implications of the digital economy on their business, non-bank competitors, mainly tech companies and financial technology ('fintech') start-ups, are disrupting banking. Software and computer services companies are now not only challenging banks' business model but are also posing a competitive threat to them in recruitment in Ireland.

With banks accounting for 12 per cent of the employers selected by the surveyed students as one of their top five 'ideal employer' choices, banking remains the third most popular sector among Ireland's business students. While this places Ireland in the bottom half of surveyed territories, it is still ahead of prominent EMEA economies including Belgium, France, the Netherlands, Denmark, Germany and Austria.

No doubt part of the reason that Google, Facebook and others appeal to so many is due in part the graduate programmes they advertise extensively on university campuses, in which they sell themselves as dynamic, innovative, fast-paced and fun places to work.

However, change is sweeping the banking sector, from evolving distribution channels and innovative new business models to the wider impacts of digital, mobility, big data and analytics. Recent Deloitte research suggests that 5,000 new jobs could be created in Ireland's burgeoning financial technology ('Fintech') industry over the next five years.¹

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

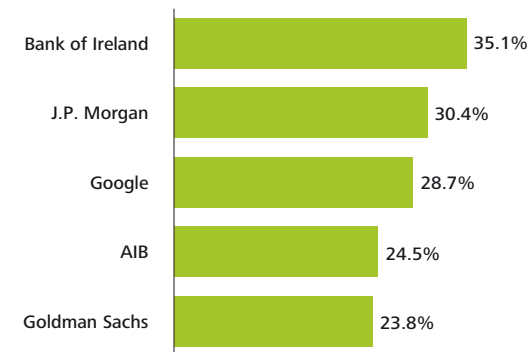


Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Highlighting these findings, in addition to articulating the breadth and depth of exciting and innovative new opportunities within the sector, should go some way to raising the appeal and profile of the sector to Irish business and banking-inclined students, in particular to those with some of the technology and analytics skills crucial to driving change within the sector.

Irish bank trumps international banks

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



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

Although five major American corporations dominate the list of most popular employers among business students (see Figure 3), Irish banks like the Bank of Ireland, winner of the gradireland Graduate Recruitment Award as the Most Popular Employer in the Banking, Investment and Financial Services sector,² and Allied Irish Bank (AIB) appear to be competing well for talent with US investment banks like Goldman Sachs and J. P. Morgan. The global might of the Google brand is emphasised by the fact that it ranks third even in this subset of banking-inclined students.

The search for security

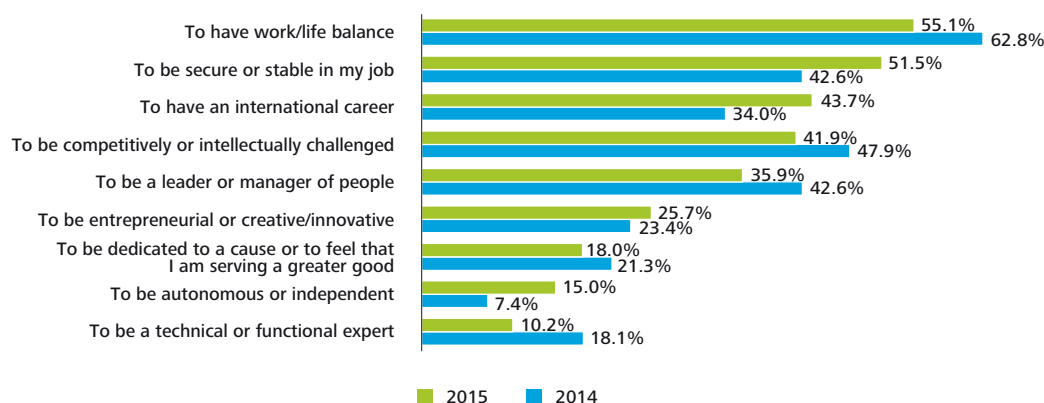
While having a good 'work/life balance' remains the top career goal for Ireland's banking-inclined students, this score has fallen by almost eight percentage points since 2014.

Despite this fall, 'work/life balance' ranks relatively highly among banking-inclined students in Ireland: of all EMEA countries surveyed, only banking-inclined students in Spain (60 per cent) and the Czech Republic (59 per cent) give greater importance to 'work/life balance' as a career goal.

There has been a surge in the desire for 'job security', which scores more highly among banking-inclined than all business students, suggesting that banking might be increasingly seen as a 'safe' choice of career. In only three other EMEA countries – Poland (69 per cent), Norway (57 per cent) and Russia (56 per cent) – do a greater proportion of banking-inclined students view 'job security' as an important career goal.

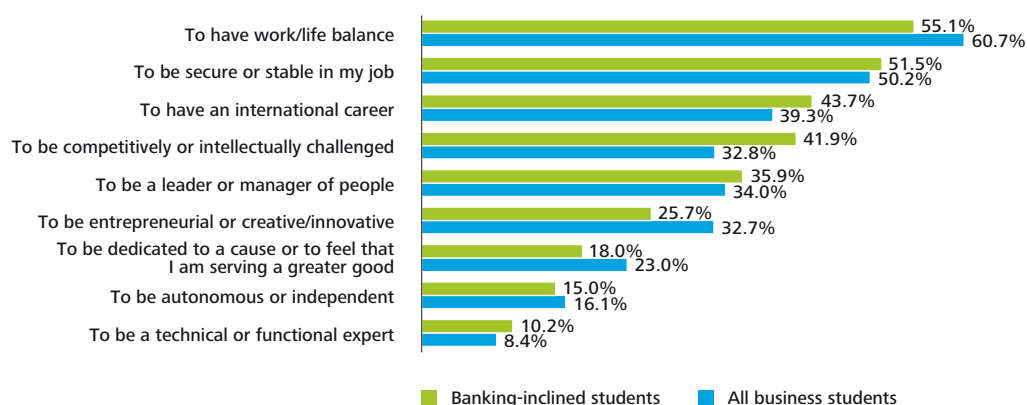
The desire for 'an international career' has also risen rapidly since 2014, most particularly among banking-inclined students; this suggests that banks wishing to capture Ireland's best young talent would do well to emphasise the international nature of a career in banking.

Figure 5. Career goals of Irish banking-inclined students, 2014 and 2015



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

Figure 6. Career goals of all Irish business students and Irish banking-inclined students, 2015



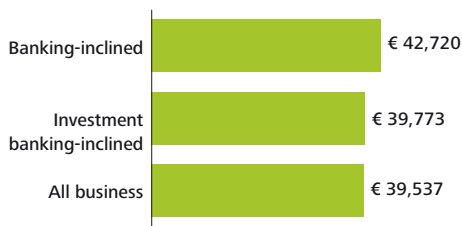
Source: Universum Talent Survey 2015; Deloitte analysis
See Appendix for survey questions

Less great expectations

In the 2014 Deloitte Talent in Banking – Focus on Ireland report, Deloitte commented that students’ initial salary expectations might be in danger of being unrealistically high for banking-inclined students (€42,869) and investment-banking inclined students (€45,275). Although the expectations in investment banking have fallen sharply in 2015, expectations among banking-inclined students remain broadly similar.

Salary expectations have risen sharply among all business students, from €36,740 in 2014 to €39,537 in 2015. The expectations of those business students surveyed by Universum are generally higher than average graduate starting salaries in Ireland.³

Figure 7. Expected annual salary (EUR), Ireland, 2015



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

Mind the gap

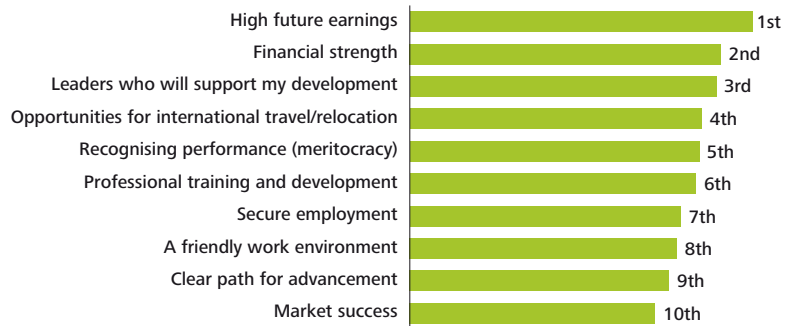
In analysing Universum survey data, Deloitte sought to find out to what extent, and in which areas, the aspirations of banking-inclined students converge with, or deviate from, what they most expect from a career in banking. Comparing aspirations and expectations shows these convergences and divergences, offering interesting insights to employers.

Just four of the top ten aspirations of Ireland’s banking-inclined students appear in the list of their top ten expectations, implying that there is a gap between what they want from a career and what they expect to gain from a bank as an employer.

Job attributes such as ‘financial strength’ and ‘professional training and development’ are both aspired to, and expected by, banking-inclined Irish students. However, banks don’t meet the desire among banking-inclined students for ‘leaders who will support my development’, an aspiration that appears to be particularly important to the millennial workforce.⁴

‘Innovation’ ranks just 20th out of 40 aspirations for Irish banking-inclined students. More worryingly, the Irish banking sector is not associated with ‘innovation’, which ranks just 34th out of 40 expectations. Responding to threats the industry faces from non-bank challengers such as fintechs will be more difficult without a creative and innovative work force.

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



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

Figure 9. Irish banking-inclined students' expectations, 2015



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

The need for a better balanced workforce?

As in most countries, the majority of business students surveyed by Universum is female. However, in a trend observed in most other territories, the tables are turned when we look at banking-inclined students, and investment banking-inclined students in particular. This trend is replicated in Ireland in other sectors of the financial services industry, most notably insurance.⁵

While the proportion of female investment banking-inclined students is not as low in Ireland as in some other EMEA countries such as Sweden (22 per cent) and Germany (29 per cent), it has shrunk significantly since the 2014 survey, from 46 per cent to 38 per cent. This means the sector is missing out on a substantial pool of talent.

Indeed, not only does it appear that diversity makes us all smarter,⁶ in the face of a rapid technology-driven change and the disruptive power of digitisation, the fresh ideas, insights and perspectives women can bring will be crucial to the future success of banks.

Why are female business students not attracted to banking? The conventional analysis points to two main barriers. Firstly, that women will find it harder than their male counterparts to progress in banks, encountering the famed 'glass ceiling'. And, secondly, that they will be paid less well at every level throughout their career.

However, there is a third possible culprit: culture. The data shows that banks are not associated with 'support for gender equality', with just 30.6 per cent of Irish banking-inclined students expecting to find this in banks.

Even worse, they seem to be recruiting in this unsupportive image: Irish banking-inclined students care little for 'gender equality', ranking it at 39th out of 40 possible career aspirations.⁷ They also place slightly less emphasis on 'gender equality' than do Irish business students as a whole.

Figure 10. Student demographics, Ireland, 2015

	All business students	Banking-inclined students	Investment banking-inclined students
Female	55.1%	45.4%	38.5%
Male	44.9%	54.6%	61.5%
Number of students	1,989	504	346
Average age	21.3	21.5	21.6

Source: Universum Talent Survey 2015; Deloitte analysis

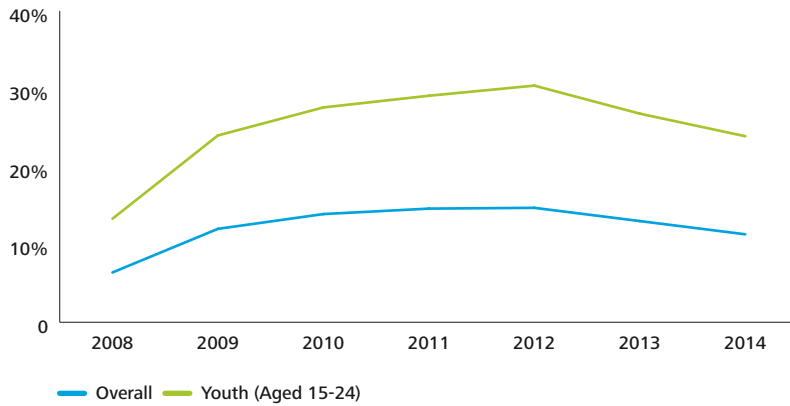
Macroeconomic context

Figure 11. Growth in average monthly wages (US\$), Ireland, 2008-2014



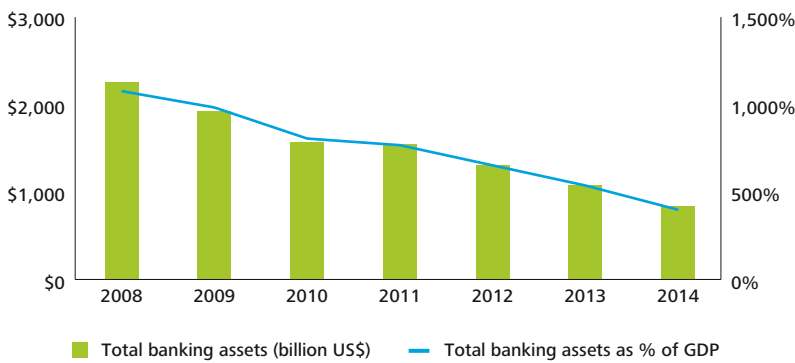
Source: Economist Intelligence Unit
See Appendix for notes

Figure 12. Overall and youth unemployment, Ireland, 2008-2014



Source: OECD

Figure 13. Total banking assets in US\$ bn and as % of GDP, Ireland, 2008-2014



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

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 11:

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 13:

Total banking assets for 2010-2014 are Economist Intelligence Unit estimates

GDP for 2014 is an OECD estimate

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

End notes

1. "Collaboration between FinTech industry and International Financial Services will be critical to drive job creation", Deloitte, 2015. See also: <http://www2.deloitte.com/ie/en/pages/financial-services/articles/why-fintech-collaboration-with-financial-services-can-drive-job-creation-in-ireland1.html>
2. "Ireland's 100 leading graduate employers", gradireland, 2015 See also: <http://gradireland.com/irelands100>
3. "Graduate Salary & Graduate Recruitment Trends Survey 2015", gradireland, 2015. See also: <http://cdn.thejournal.ie/media/2015/06/salary-survey-2015-0406.pdf>
4. Deloitte Millennial Survey 2015, Deloitte, 2015. See also: <http://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>
5. Deloitte Talent in Insurance 2015 – "Ireland in Focus", Deloitte, 2015
6. "How Diversity Makes Us Smarter", Scientific American, 16 September 2014. See also: <http://www.scientificamerican.com/article/how-diversity-makes-us-smarter/>
7. "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." Survey question: 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.

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