

It's really no surprise that financial services ranks very highly in terms of educational standards for board directors and senior executives. Our global survey confirms what has anecdotally been known in Australia if not globally across most sectors of financial services. Life sciences are the highest category for education which is probably to be expected due to the focus on original research with many PhDs.

New entrants are expected to start their career with a good quality bachelor's degree. Within the next decade of their career they can be expected to take on higher level of qualifications of either a technical or broader general management i.e. Masters / MBA Degrees.

According to the McKinsey Global Institute, flows of goods, services, and finance reached \$26 trillion in 2012, or 36% of global GDP, 1.5 times the level in 1990. Being such a large contributor to the world economy, Financial Services attract scrutiny and is rightly heavily regulated. High levels of regulation mean higher education standards and boards populated with many well qualified lawyers and auditors.

Australia has been an innovator in the areas of asset management, property and infrastructure investment services as per the success Australian companies such as Macquarie bank, Lend Lease and Westfield arriving successfully in United States and Europe and Asia developing world leading products and services. Innovation requires high quality education.

These now commonplace higher education standards have developed over the last three

decades or so. Prior, in many Anglo countries bankers, and other executives across financial services would often enter the sector directly from secondary school. It was partly due to the growth of global investment banks that professionalised, at least, the banking sector's education minimum requirements.

I personally experienced this during my early banking career in the 80s at Macquarie Bank where a good undergraduate degree and further masters level specialisation was often expected. Many of the investment banking groups prided themselves on hiring only the best and brightest graduates. This was an initiative that was copied from the US with Macquarie aligned in thinking with the likes of Goldman Sachs.

Three decades on we now have those graduates at senior management and board level, who were at the vanguard of change, leading these firms. The next step for these leaders is to take concerted measures to improve and retain their diversity of talent for future generations of leaders.

# MANAGEMENT EDUCATION CATCHES ON

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