

Finance employees are the least trustworthy

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Employees in the financial sector are 30 per cent less trustworthy than other industries, according to new research by the University of Cologne.

The study, conducted by Professors Matthias Heinz and Matthias Sutter, measured the trustworthiness of students and found that those who were less trustworthy ended up in the financial sector after graduation.

In order to show this, the researchers identified the degree of trustworthiness of business and economics students several years before they entered the job market by analysing their career aspirations, social preferences and personality traits.

They then followed up on the students' professional specialisation as well as their job placement after graduation and found that most of those who were considered untrustworthy, had entered the financial industry.

"A well-functioning financial market is of the utmost importance for social welfare, however, the industry struggles with widespread misconduct and corporate scandals which compromises its benefits for society. Our paper argues that this is as a result of the companies selecting candidates with little trustworthiness," says Professor Heinz

The research also highlights that that companies within the financial industry do not screen out less trustworthy individuals, in fact, it seems that the opposite is the case.

The researchers suggest that policy interventions might be needed to change incentive structures in the financial industry to ensure that they attract more trustworthy and pro-social candidates in the future.

Professor Matthias Heinz and Matthias Sutter are scientists at the University of Cologne and the Cluster of Excellence ECONtribute: Markets & Public Policy.

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