

MARKET UPDATE

OVERVIEW

The first half of 2016 saw a significant change in the demand within financial services for projects professionals. Mid-cap institutions, asset managers and fintech firms have all been hiring significantly for staff to oversee transformation and regulatory programmes. This increased demand however has been off-set by a decrease in projects hiring from major banking groups, particularly within their investment banking functions.

Uncertainty in recent months in the lead up to the EU referendum impacted hiring volumes particularly for permanent staff. May and June hiring volumes in particular were adversely impacted as organisations delayed decisions until after the referendum.

BANKING

The first half of 2016 has been a challenging environment for the major banks and this has significantly impacted their appetite for investment in transformational change. In addition many of the regulatory programmes that have driven hiring in the large institutions over recent years have now reached relative maturity or had their deadline extended, resulting in lower hiring in these areas. Significant demand has remained for programmes related to compliance (particularly KYC, AML and controls), risk, stress testing and data.

Projects by UK banks to adhere to the government's bank ring-fencing requirements are now well underway and, as was widely anticipated, are proving to be a complex challenge. We have seen consistent demand for change professionals from a range of finance, legal, consultancy and functionally aligned backgrounds as firms grapple with the practicalities of splitting systems and business processes between ring-fenced and non-ring-fenced entities.

Outside the major institutions the picture has been quite different. The impacts of the regulatory agenda across mid-cap banks, brokerages, exchanges and other market participants are still driving demand for projects professionals. These organisations typically lack the depth of existing expertise to respond concurrently to all the demands and are often forced to bring in external talent to manage the process.

INSURANCE, INVESTMENT MANAGEMENT AND CUSTODIAN BANKING

Demand for projects professionals with asset management, wealth management and custody experience has remained high in line with the end of 2015. Although regulatory change remains a significant proportion of the workload, a wide variety of business improvement, transformation, digital, on-boarding and re-platforming initiatives are also in evidence.

We're expecting an increase of MiFID2 change roles in the second half of the year as the deadline draws closer and businesses move from policy interpretation into delivery, especially in the systems change aspect of reporting. Retail insurance is still active in the areas of process re-engineering, OpEx reduction and systems upgrades, with the whole market bracing itself for the impact of InsurTech businesses, potentially taking up to 25% of the market share.

CANDIDATE TRENDS

Across the transformation market, the trend continues for those leaving permanent roles with management consultancies to take on in-house positions as independent contractors. As a result financial services specialists are capitalising on the increased earning potential of the contract market particularly at manager and senior manager level.

Many businesses are favouring formally trained, structured delivery focused individuals with strong engagement skills ahead of those with SME experience on a specific product or business line. Conversely, long term contractors who have developed project or programme management skills within investment banking are becoming more open to the conversion to permanent positions as a tighter job market is leading to longer periods 'on the bench' which significantly reduces the financial benefits of contracting.

OUTLOOK

The recent Brexit vote has huge implications for not only the projects and change environment but the broader UK financial services industry. With so many possible outcomes and such variation in their potential impacts, giving a detailed analysis of the outlook is difficult at this time. However, assuming that some form of Brexit does now occur, it appears likely that significant revision to current business models will be required. As a result we expect change programmes will be set up to address issues most likely to include legal entity structures, location strategies and their associated regulatory impacts.

More predictably the end of the current book of banking regulatory work, although not imminent, is in sight. In its place programmes to meet new challenges in digital/mobile, the adoption of data science/analytics and disruption to business models from fintech are already emerging although BREXIT may well complicate some of these issues further.

AT A GLANCE

RECRUITMENT TRENDS

TALENT SHORTAGES

72% of employers have been affected by talent shortages

MANAGING SKILLS SHORTAGES

Which of the following recruitment strategies have you adopted to manage candidate shortages?



ENGAGING WOMEN RETURNING TO THE WORKFORCE

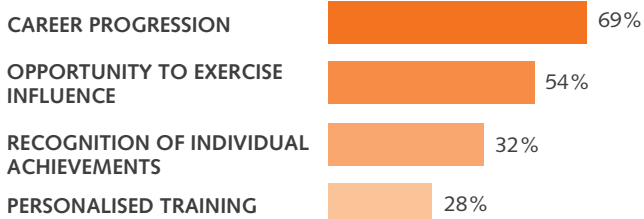


84% OF WOMEN WANT THE OPTION TO WORK FROM HOME

39% OF EMPLOYERS OFFER IT

RETAINING MILLENNIAL PROFESSIONALS

What keeps Millennials engaged at work?

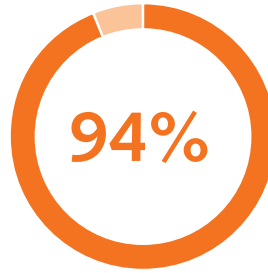


HIRING INTENTIONS

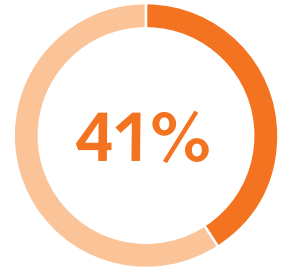


48% of projects hiring managers expect skills shortages in 2016

PASSIVE JOBSEEKERS



94% of professionals are open to a job approach even when not actively looking



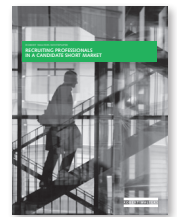
However, only 41% of employers have a plan in place to attract passive jobseekers

MARKET LEADING INTELLIGENCE

The Robert Walters Salary Survey is the most comprehensive review of global recruitment trends and salary levels available. It's ideal for benchmarking your team's salaries, your organisation's salaries and your own, making determining pay and bonus reviews significantly easier.



Our recruitment insight series of whitepapers provides industry leading research to help employers manage their recruitment strategies and address key talent management issues. To receive a copy of any of our market leading intelligence please contact us on the details below.



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