RESOURCE SOLUTIONS

MARKET INTELLIGENCE

FINANCIAL SERVICES RECRUITMENT IN UK & EUROPE

RESOURCESOLUTIONS

INTRODUCTION

This report highlights the key issues currently affecting recruitment in the banking sector in the United Kingdom and Europe, including Resource Solutions' market predictions for the remainder of 2018 and an overview on contingent hiring in New York.

We have provided insight into the factors that are influencing the demand for candidates across various roles and, importantly, where we anticipate skill shortages and salary inflation will be most acute.

CONTENTS

EXECUTIVE SUMMARY

THE IMPACT OF BREXIT

- A degree of uncertainty around Brexit persists; however, hiring in the banking sector continues at a steady rate
- Confidence generally remains high amongst banking organisations with hiring increasing, particularly in technology and compliance
- Organisations are adopting business as usual in the short term; contingency plans continue to be critical for longer term impact

TECHNOLOGY AND DATA GROWTH

- Financial services organisations continue to attract the best technology talent, despite heavy competition from FinTech start-ups
- The emphasis remains on retaining and rewarding top performers in technology and innovation
- The demand for data, compliance and regulatory change professionals has dominated hiring, particularly in light of regulation changes in 2018

SPECIALIST SKILLS SHORTAGES CONTINUE

- Experts who can respond to demanding political, economic and regulatory conditions remain in short supply
- The following roles continue to experience high demand shortages: cyber security, data science, data protection, financial crime, compliance, tax, regulation and finance lawyers

THE CHALLENGE OF RECRUITING AND RETAINING TOP TALENT

- Candidates perceive agile working and a positive work culture as key factors in their decision-making
- Candidates still favour roles which offer work-life balance and flexible working
- Organisations need to make the hiring process more efficient and candidate friendly to secure top talent

RESPONDING TO UNPRECEDENTED CHANGE

- Organisations are dealing with the unknown, specifically the economic uncertainty around Brexit
- Temporary workers are still regarded as a necessary resource to deliver critical and specialist projects in tight timelines

GROWTH OF NEAR SHORING OUTSIDE LONDON

- Location strategies in terms of on / offshoring continue as organisations plan for Brexit
- Ireland is anticipating an influx of investment and professional talent within the banking and financial services sectors

LONDON MARKET

BANKING OPERATIONS

The banking operations market continues to be candidate driven with strong operations professionals often involved in multiple processes across both temporary and permanent opportunities. The shift towards prioritising work life balance over compensation continues, and this has been a key driver in new candidates coming to market. Most roles within the operations space came from small to medium-sized cap houses, continuing the trend over recent years away from the bulge bracket investment banks.

H1 saw an increase in VP and senior level hiring with a number of these being growth hires; demonstrating a positive feeling in the market, that banks are prepared to bolster teams in London despite Brexit.

However, compensation is not the only driver. Work life balance, progression opportunities, team, interest in role and culture are all key factors in a candidate's decision. This is notable at the junior end, where salaries are relatively smaller and so other factors are taken into account; namely study support options, training opportunities and a clear career path within an organisation.

Junior candidates continue to be in demand within operations, particularly those with 6 months–2 years' experience. Investment banks are keen to secure talented individuals who are innovative in nature, keen to get involved in driving change and open to new technologies. The profile of the operations candidate has changed significantly post-2008 financial crisis, as we move into the era of low-cost initiatives, automation and off/near shoring.

Salaries have remained consistent within operations. Loans candidates have commanded higher salaries in line with demand, along with candidates with structured products experience. At the junior end, candidates are conscious of their market worth and want to ensure they are getting competitive salaries.

OUTLOOK

- Demand remains strong for banking operations professionals in 2018.
- Junior professionals are likely to remain the most highly sought after as organisations look for candidates who can be adaptable to the changing demands of the business.
- Hiring is expected to remain busy in H2 2018, with an increased demand for juniors in Q3 as graduates come to market; operations managers often look to hire based on attitude and potential rather than experience.

ACCOUNTING AND FINANCE

H1 2018 saw a strong demand for accounting professionals across the buy side, sell side and wider financial services sector. In H2 demand continues for fund accountants and fund controllers driven by hedge funds, real estate funds and private equity funds replacing people who have been promoted or moved externally.

Newly qualified practice accountants, experienced management accountants and financial accountants, particularly with 3-7 years PQE remain highly sought after. High demand for experienced product controllers and finance business partners continues at bulge bracket and mid-sized Investment Banks; with demand being driven primarily by replacement hiring. Due to off-shoring over the last 3-5 years, there is now a severe lack of candidates at the analyst/AVP levels.

The wider financial services sector, in particular corporate and commercial banks, brokerage firms and challenger banks sought financial accountants and management accountants as both replacement hires and proactive strategic hires. Whilst newly qualified practice accountants remained in demand, the shift continues toward people with 2-5 years PQE in the industry as organisations look to create immediate value-add.

The high demand for newly qualified practice accountants is set to continue in H2. The Big 4 remains attractive to candidates, however several organisations are now looking for small practice candidates with account preparation experience as an alternative.

Salaries have increased steadily for in-demand areas, with an average increase of 5% (YoY). For areas with the most acute candidate shortages, such as product control, 2–4 years PQE management and financial accountants, fund controllers and finance business partners, salaries have risen closer to 7% (YoY).

OUTLOOK

- H2 looks set to end strongly despite economic and political uncertainty.
- Roles requiring candidates with 2-3 years PQE in industry remain extremely challenging to source for, particularly management accountants, financial accountants, product controllers and fund controllers. However, the demand for newly qualified Accountants remains high.

COMPLIANCE

A busy period in the regulatory compliance market is set to continue, and it is anticipated that small-to-medium sized firms across both the buy and sell side will have the greatest demand for talent as they are able to actively on-board new compliance professionals quickly. These organisations tend to be more adept at processes (including headcount signed off) compared with the larger financial services organisations.

During H1, many compliance teams within asset management were awaiting the outcome of Brexit negotiations to establish which European offices / locations should be resourced. As a result, much of the emphasis of asset managers, hedge funds and private equity firms has been placed on rewarding and retaining their senior compliance staff. However, organisations with more presence in the US or those focussed on UK Investments were able to mostly ignore the market instability caused by Brexit and continue to grow their compliance teams. This has resulted in many opportunities for highly skilled compliance individuals, as organisations look to grow their teams and replace individuals who have left to seek career progression elsewhere.

Many financial services organisations are adopting cost-saving measures by either automating aspects of the compliance function or offshoring some of the more administrative compliance responsibilities to countries with cost-efficient headcount. However, there is still a great need for people in compliance advisory teams who can interpret and articulate new and existing regulations to the front office. As trading scrutiny increases, candidates with compliance advisory experience particularly in best execution, market abuse and distribution are in particularly high demand.

OUTLOOK

- Demand across the core compliance areas; regulatory change, monitoring and surveillance as well as advisory (which continues to be a challenging area to resource for) will continue to increase
- The trend of hiring AVP/ VP level professionals and training them to develop in the the organisation will also be a focus

FINANCE BAU AND FINANCE CHANGE PROJECTS

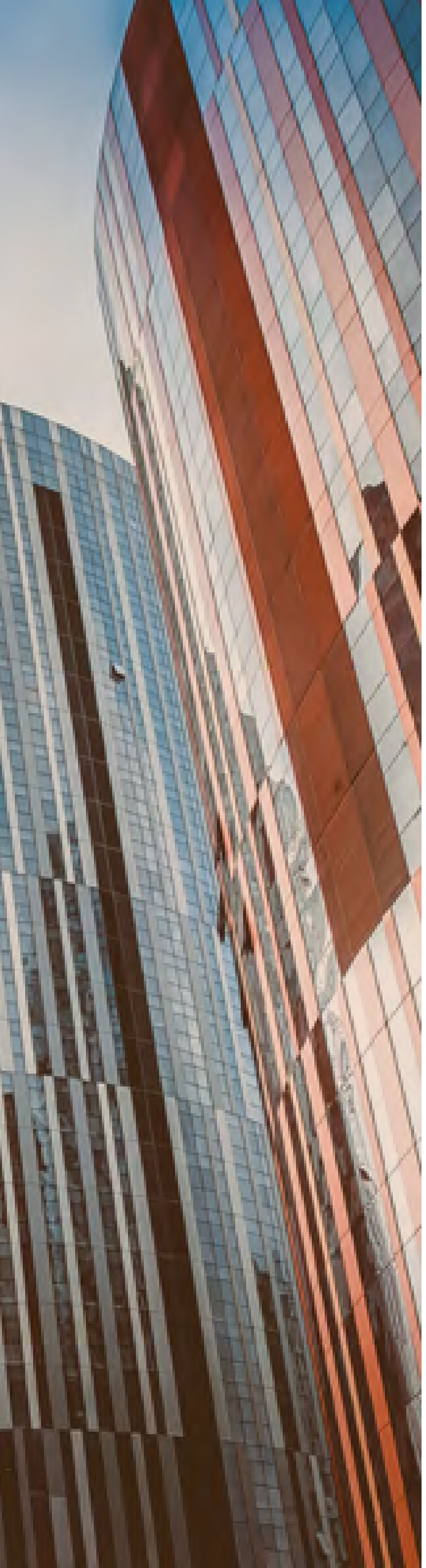
With major regulatory programmes such as MiFID II delivered, many larger organisations are now thriving in a more stable operating environment. However, pressures across margin-savings, desire to increase market share, and a need to provide lower-cost investment solutions are all a priority. Additionally, demands within risk and compliance largely associated with MiFID II remediation and Brexit continue.

With several regulatory deadlines now in the past, 2018 continues to see heavy saturation in the contractor market within this space. Those that have had their contracts extended have moved onto Brexit programmes. The inevitable outcome of a candidate heavy market has been a reduction in rates, both being offered by clients and being considered by candidates.

In investment banking the focus continues to be across risk (data transformation and usage), Brexit (planning and strategy) and compliance (ABC, AML and sanctions process transformation hiring, plus transaction monitoring, inclusive of TOM and organisation design work for financial crime functions).

OUTLOOK

- The demand for permanent projects specialists is set to rise as banks continue to consider moving away from interim or contract workers to minimise costs.
- In H1 2018 MiFID II requirements were the main focus, however, as many of these regulations have now been delivered, it is likely that there will be an increased focus on innovation, process improvement, digitalisation and operating model type programmes across all functions later this year.



HUMAN RESOURCES

Banks have continued to actively hire HR professionals, with HR jobs in the London financial services market up 27% in H1 2018, with many asset managers and challenger banks also actively recruiting.

The buoyant hiring market is most notable in the junior to mid-management level market. Employers going through global or functional change projects, often as a result of merger or integrations, are beginning to require more strategic support on an interim basis, driven by the lack of movement at the top of the permanent market.

Candidate shortages are likely to become more acute as professionals, particularly EU citizens, become reluctant to change roles in light of ongoing uncertainty surrounding Brexit. To overcome these challenges, many employers will invest heavily in training and development to up-skill existing staff.

The most highly desired skill currently in HR is the knowledge of succession planning. The ability to look at those starting their careers and identify high performers, as well as upskilling staff to become the next senior leadership and management team is highly sought-after.

Despite being in high demand, senior leaders are staying put and, as such, senior and executive level permanent hiring has been more cautious. talent and organisational Development positions have been consistently high across the year, as have HR operations roles. With commercial HR directors in high demand, there has been significant activity at the £120K to £180K level.

OUTLOOK

- Hiring of junior and mid management HR professionals has remained buoyant throughout 2018.
- Hiring in HR operations, and commercial has driven employers to look at investing in staff to retain top performers by creating a better environment with preferable conditions.

TECHNOLOGY SERVICES (IT)

Technology start-ups have been the stand-out performers when it comes to hiring activity and levels of investment. Despite FinTech and other start-ups bettering their reputation as an employer of choice, banks and financial services organisations continue to attract the best technology talent.

Cyber security continues to be one of the most sought-after roles, as banks and financial organisations were initially hesitant to implement new technologies and systems due to an apprehensive approach regarding the security and privacy of any new systems. However, recent high-profile data breaches have encouraged organisations to proactively onboard cyber security professionals and invest in digital programmes.

As Britain's future outside of the European Union remains unclear, it is anticipated that there will be a shortage of IT professionals entering the UK market from the EU. To counteract this, hiring managers have become more open to considering sponsorship of candidates from outside of the EU.

Proficiencies in Cloud, AWS, GCP and Azure are highly sought-after, with candidates able to command premium salaries and rates. Data roles also remain in demand, with data engineers, data scientists and big data architects all at a premium on the market.

There has been an abundance of vacancies in development across 2018, but with a limited number of candidates to fill these roles. Java/JavaScript has long been used by investment banks; but while demand remains relatively high, there are plenty of people who have this skill-set.

OUTLOOK

- There is no shortage of people with technology skills on the market, however, recently banks have demanded that candidates have financial domain knowledge to match their developer skills.
- Due to banks' familiarity with the Java/JavaScript language, it is now widely used when it comes to big data technologies.
- The language's ability to process high volumes of data, matched with its compatibility with Scala, Spark and NoSQL databases such as Hadoop, have helped it become more prominent in today's market.

LEGAL

Demand for law professionals in financial services has remained high in 2018, despite uncertainty over Brexit. The continuing shortage of candidates (a direct result of the 2008 financial crisis) means competition amongst organisations to find exceptional mid-level lawyers remains fierce.

H1 saw strong demand for law professionals from organisations in London across many banking and finance practice areas, particularly structured finance, project and infrastructure finance, capital markets, real estate finance, restructuring, asset finance and general lending. The continued focus of US firms in London on sponsor-side client work and the resilience of the wider leveraged loan market has also kept top -tier leveraged finance experience at a premium.

Post-financial crisis regulatory restrictions on traditional lenders coupled with the continuing entrenchment of alternative lenders in the market has resulted in a sharp increase in demand for finance lawyers with experience in the private credit space.

In a candidate short market, strong finance candidates will always have multiple options. Organisations are recommended to move quickly with preferred candidates to ensure they do not lose out in this competitive market. To attract candidates at the senior end, organisations must be prepared to talk transparently and honestly about routes to partnership.

OUTLOOK

- 2018 has seen demand for law professionals remain high, especially as quality candidates have been in short supply.
- Organisations must move fast in order to secure top talent in a competitive market which shows no sign of dwindling this year and into 2019.

MARKETING AND COMMUNICATIONS

Banks have continued to actively hire marketing professionals, as they look to be more creative when it comes to external communications. FinTech employers also have an increased demand for marketing professionals, with those at a senior level with key client exposure, including investment banks and software companies, being most sought-after.

A downturn in marketing hires towards the back-end of 2018 is anticipated, as employers look toward renewed budgets and headcount sign-offs in Q1 2019. Despite this, the overall demand for marketing professionals remains stable, with most hires being made on the permanent side, following a reduced number of temporary/contract roles on the market.

Employers continue to seek out more specialised digital marketing skills, with analytics, SEO, mobile, social media and content marketing proficiencies in high demand. These skillsets have become more prominent within marketing strategies and have provided recruitment challenges when it comes to sourcing candidates. Demand has outstripped supply, as vacancies within marketing have grown on average 34.8% in 2018, according to APSCo.

OUTLOOK

- A spate of senior marketing promotions has driven up the demand for junior-to-mid level professionals, with many banking employers offering sponsorship to enable employees to gain CIM qualifications.
- Due to the increased amount of marketing roles on the market, we're seeing a noticeable increase in the number of new positions as opposed to replacement hires.

PROCUREMENT

High demand for procurement professionals is set to continue this year, with an increase in the number of high-level procurement roles available. Employers in financial services are looking to secure top talent, and this has continued to grow this year. There are market predictions around the influx of junior level procurement roles in London and in nearshore "Centres of Excellence" around the UK, with senior roles remaining in London, mainly due to there being a shift away from outsourcing.

2018 has seen an increase in demand in the market data arena within banks and asset management, and as the competition from organisations offering the data intensifies, category managers covering market data are rapidly becoming commonplace within procurement.

2018 continues to see an increased level of hiring activity among smaller challenger banks, asset management and fund management businesses, with sourcing, vendor and supplier relationship management experience becoming more important.

Smaller financial institutions and FinTech companies also continue to attract procurement professionals with exciting projects and enticing packages, moving senior candidates away from more traditional banking and insurance roles to set up greenfield or improve on brownfield sites.

Demand for professionals with experience in vendor management, supplier relationship management and sourcing management continues to grow across financial services, but with the talent pool rapidly drying up this remains a challenging area of recruitment for 2018 and into 2019.

Employers that had previously sought interim staff for IT procurement roles have started to offer strong packages for permanent staff, recognising the cost-saving benefits of employing permanent versus interim staff. This trend is likely to continue, and permanent IT procurement specialists will be able to command higher salaries than their peers.

Salaries across procurement and vendor management have levelled off after the jump two years ago. There has been a distinct increase in candidates searching for a better career with an emphasis on work-life balance and flexible working, which many organisations have recognised and implemented.

OUTLOOK

- 2018 has seen demand remain high for procurement professionals, with IT procurement specialists continuing to be the most sought after.
- Financial services organisations and smaller FinTech companies also look likely to increase hiring of procurement professionals with many enticing packages on offer for senior candidates with specific experience.

RISK BAU AND RISK CHANGE PROJECTS

The risk market has remained resilient throughout 2018, with a particular focus on permanent hiring as banks continue to consolidate their headcount and reduce costs. Traditional market risk has reduced in London with some roles being offshored to both Frankfurt and Dublin. This has left the London market to focus on attracting candidates with a more technical background.

The demand for PhD candidates with programming skills continues to grow, mainly due to regulations. Candidates at AVP level with experience in model validation are the most in demand and with it comes a higher salary.

Across both the buy and sell side, the operational risk market has been very buoyant with a consistent drive to embed risk culture and effective frameworks. Operational risk frameworks within investment banking are mature and as a result, there are more vacancies available that demand a specialised skill-set, such as a trading background or market risk.

Investment managers are in the early stages of introducing formal operational risk and enterprise risk frameworks and consequently there has been a rise in traditional roles where candidates are required to have a wider view of operational risk processes and combine this with asset or wealth management business knowledge.

Recently, emphasis has shifted to conduct and culture risk with roles at both the AVP and VP levels. Given the nature of operational risk, these roles require a fair amount of relationship building making the market prefer permanent teams with strategies to convert temp staff into permanent employees.

Credit risk continues to be busy with a focus on funds and hedge fund portfolio management. However, candidates are in short supply, with small teams and banks demanding strong technical knowledge. Several financial institutions are offshoring members of their credit risk functions to Frankfurt, Paris and Dublin.

The risk contract market has only seen demand across certain verticals, with the focus being on quantitative risk professionals. Hiring managers are looking for risk professionals with a combination of technical risk analysis and IT object orientated programming skills when hiring. This mix, along with a candidate short market, has resulted in an increase in salaries.

OUTLOOK

- 2018 has seen strong demand for quantitative risk professionals across the front office model development and validation space.
- Credit risk management and market risk continue to see limited hiring, and this is mirrored in the operational risk management space as well, largely driven by organisations opting for permanent headcount.

SECRETARIAL - FRONT OFFICE BANKING MARKETS

Banks continue to hire office support and secretarial professionals in greater numbers year-on-year. However, many new hires are replacement hires as salary caps on secretarial roles have led to shorter tenures becoming more and more common.

The temporary and contract market has been on the rise in H1 2018, with this trend set to continue as many employers are recognising the value of temporary hires when it comes to supporting projects or covering workloads during busy periods.

Employer preferences when it comes to hiring secretarial professionals have changed; data-entry and administration activities have reduced due to increased levels of automation. This has led to a change in the expected skill-sets. Organisations are now searching for talent with the ability to get involved in the development of the wider business and are able to improve internal processes and efficiencies, even at junior levels.

OUTLOOK

- As employers build pools of cross-functional support staff, hiring managers are more open to hiring secretarial professionals from outside of the banking and financial services sector.
- This has increased the volume of candidates on the market, resulting in a steadier flow of active candidates.

UK REGIONAL MARKET

JOB MARKET OVERVIEW

Britain's labour market remains strong, with the current unemployment rate of 4.0% the lowest recorded since 1975. However, job growth is levelling out after a long period of expansion; the number of unfilled vacancies has steadily been on the rise for almost a decade, with 32.4 million people now in employment. According to data from APSCo, permanent placements continued to increase year-on-year, whilst contractor roles fell.

Historically, low unemployment rates have translated into stronger pay growth for those in work, however this has not materialised, with regular pay increasing at a rate of 2.9% year-on-year. However, due to the tightening labour market, candidates now have more leverage when it comes to bargaining power regarding compensation.

BANKING TRENDS

Investment banking divisions have benefitted from a succession of cost-cutting, which has made banks far more efficient, whilst flourishing M&A activity has boosted fee income. This has led to profits rising back to pre-financial crisis levels amongst the UK's largest investment banks. However, the return on equity has done likewise, which has been attributed to the impact of a challenging regulatory environment.

Technology hiring is at the forefront of most investment banks' hiring plans. These shared priorities have led to a competitive and crowded market for technological talent, with banks not only competing with other financial institutions but also technology firms and FinTech start-ups.

Despite the threat from technology employers, candidates within the UK are still willing to work within the banking industry, with one German bank receiving over 110,000 graduate applications for its scheme in 2018.

BREXIT

Most banks have finalised their final post-Brexit EU headquarters, with Frankfurt (7), Paris (4), Dublin (2) and Amsterdam (2) being the most popular locations. Further hiring is also set to take place in Madrid, Luxembourg and Milan, with all locations' financial services and banking industry set to receive a boost.

It is estimated that the UK's large international banks will move up to a total of 4,600 jobs out of London, amounting to 6% of their combined London workforce; 50-100 jobs have moved thus far, to Dublin and Frankfurt.

According to data from the ONS, net migration to the UK from other EU countries has reached its lowest level since 2012. It is reported that net migration now stands at +87,000 in the year ending March 2018, the lowest figure seen in the past five years.

OUTLOOK

- Britain's labour market remains tight, with skill shortages emerging from the 4.0% unemployment rate.
- Banks' cost-cutting exercises since the 2008 financial crisis have started to pay off, with profit levels rising to pre-crisis levels, leading to a spate of hiring activity.
- As the outcome of Brexit remains unclear, banks have started to move their workforce over to continental Europe in light of Britain's departure in March 2019.

SCOTLAND

JOB MARKET OVERVIEW

Scotland's unemployment rate fell to 4.1% in the second half of 2018, not too dissimilar from the overall UK rate of 4.0%. The number of people in employment within Scotland now stands at 2,556,000; an employment rate of 75.1%.

The Scottish economy has continued to grow faster than the UK's, with Scottish GDP increasing by 0.5% in the second quarter of 2018. Over the last year, Scottish GDP had risen by 1.7%, while the UK's is up 1.3%. A key factor for this has been strong growth in the production sector and an upturn in construction.

Demographically, Scotland faces a struggle when it comes to population growth. Data from the first quarter of 2018 revealed that there were 5,000 more deaths than births in 2017. Because of the rapidly ageing population, the Scottish government and employers alike are looking to boost net migration, possibly through tax incentives.

Scotland's workforce is likely to be impacted by Britain's exit from the European Union. Scotland currently has around 235,000 EU nationals within its workforce, with the capital, Edinburgh, containing the most EU citizens.

BANKING TRENDS

Scotland's financial services sector is the most important in the UK outside of London and the South East, providing 7.1% GVA (Gross Value Added) to Scotland's economy alone.

Almost 100,000 people work directly in financial services in Scotland; it is an industry that is being fed every year by new talent from the many academic institutions that have created specific courses in financial services, technology, data and financial crime. It is a market that never stands still, and the level of change driven by technology, regulatory pressures or a need to improve cost-base is still huge.

Edinburgh continues to thrive as a technology hub, as the capital was ranked highly amongst EMEA technology hotspots, following a CBRE study. This is evident as Edinburgh and Glasgow have recorded a higher rate of FinTech start-ups than any other part of the UK, including London, according to the *New Statesman*. In terms of technology candidates, there has been a slowdown in top level candidates entering the market, which has led to a more 'headhunt' focused approach when sourcing talent.

As expected, financial services in the Scottish central belt has started to attract technical resources at the expected volume, with all the major players kicking off projects and spurring hiring activity. Scotland has continued to benefit from several high-profile organisations increasing their footprint in the country.

One large American investment bank has announced an ongoing programme to increase headcount in Scotland across financial crime and risk, growing teams in enhanced client due diligence and extending their technology risk teams in Glasgow.

One leading British bank has also unveiled plans to create up to 2,500 jobs at a new technology, functions and operations hub in Glasgow, with Scottish Enterprise providing a grant of £12.75m towards the project.

OUTLOOK

- Scotland's economy in 2018 saw stronger growth than that of the rest of the UK, with a similar unemployment rate to that of the remainder of the United Kingdom.
- Banking and financial services sector continues to develop due to a number of high-profile employers looking to expand their operations in Scotland.

EUROPEAN MARKET

IRELAND

JOB MARKET OVERVIEW

Ireland was confirmed as the fastest-growing economy in the Eurozone for the fourth consecutive year. Irish GDP grew by 7.8% in 2017, up from 5.2% in 2016, with almost all parts of the economy growing strongly. This progress, driven by a solid performance from the country's important IT sector, was more than three times the Eurozone average.

Ireland's economic upturn has translated into job creation as organisations are looking to take advantage of the opportunities that the growing economy brings. The current unemployment rate of 5.6% is evidence of the continued recovery at a macro-level across Ireland, where at its worst period unemployment stood at 16%.

Ireland's straightforward tax regime and strong technology talent base make the country an attractive proposition to businesses, and this has seen Dublin become a global hub for technology talent. However, demand is currently outstripping supply as the technology talent pool continues to shrink.

The labour market has provided good news to the Republic of Ireland, with employment rising 2.9% in 2017. This increase in employment has led to the tightening of the labour market and upward pressures on wages. However, multinational businesses continue to invest in Ireland as this upward trajectory is set to continue throughout 2018.

BANKING TRENDS

Recruitment activity in Ireland was high, with banks and financial services firms creating opportunities for compliance and regulatory professionals and a growing tech start-up community driving demand for IT specialists. Front office professionals will see an increase in demand for their skills due to a number of banks planning to relocate to Ireland.

Irish banks have almost completely recovered from the 2008 financial crisis. Ireland's economy was one of the hardest-hit in Europe, as the government was forced to nationalise two of the country's largest banks. However, ratings agency S&P claims all six of Irelands largest banks rates are now profitable for the first time since 2007. This is likely to translate into local hiring as budgets will be strengthened.

BREXIT

Technology companies have continued their domination of Dublin city centre's office stock in 2018, with Facebook and Google alone on track to occupy 4% of all commercial office space within the city. Dublin currently has an office vacancy rate of 8.7%, the lowest seen since 2000. Following research from PwC, forecasts predict that in a post-Brexit boom, assets under management in Dublin have the potential to grow to $8.2trn by 2025.

With an economy that continues to grow at above-EU-average GDP levels, Ireland will remain confident about future growth capacity for attracting business to the capital. The strengthening and expansion of the global economy has also led to more robust foreign direct investment within Ireland.

OUTLOOK

- Ireland's economy and labour market remains resurgent as the country has now recovered from the 2008 financial crisis.
- The capital, Dublin, continues to benefit from large multinational technology and banking firms hiring in the region.
- Ireland's economy also continues to grow at above-EU-average GDP levels and this trend is set to continue as the country will look to benefit from an influx of British workers following Brexit.

LUXEMBOURG

JOB MARKET OVERVIEW

Employment within Luxembourg has increased 3.9% year-on-year according to Statec, with the country benefiting from the creation of jobs in the IT sector as well as higher demand for specialised and support services. Foreign residents within the workforce now outnumber Luxembourg nationals, with 28% of the labour market coming from outside of the country and just 27% originating from Luxembourg.

Luxembourg's total workforce came to 422,010 at the end of the second quarter in 2018, with 45% of this figure made up of cross-border workers, including 23% coming from France, 11% from Germany, and 11% from Belgium. These figures reflect Luxembourg's labour market dependence on foreign nationals, with 45 out of every 100 employees crossing the border each day to work.

BANKING TRENDS

Luxembourg's banking and financial services workforce remained stable and resilient to the digital transformation wave, despite a notable decrease in banking staff in the rest of Europe. A highly skilled and agile workforce has maintained the country's attractiveness amongst employers.

Luxembourg's diversified banking landscape continues to remain stable with German, British, American, French and Chinese banks further expanding their presence in 2018. The Chinese segment of the banking sector has shown the highest volume of growth, with Chinese banking groups moving to the country, increasing the segment's headcount to just under 900 employees.

BANKING SEGMENT	2018	2017
German	2,324	2,360
French	2,824	2,817
Swiss	2,108	2,100
Luxembourg	7,602	7,486
UL / USA	1,968	1,928
Chinese	645	896
Market	26,060	26,149

The headcount of each geographic banking segment within Luxembourg. The UK/USA segment saw the greatest fall in headcount, whilst China became the only segment to increase its staff numbers (PwC, September 2018).

OUTLOOK

- Luxembourg has maintained a steady labour force, which has become ever increasingly dependent upon cross-border workers, who now make up 45% of employees in the country.
- The banking workforce has also remained resilient despite a fall in staff numbers across the rest of Europe, with the Chinese segment showing the largest growth in staff numbers.

SWITZERLAND

JOB MARKET OVERVIEW

Switzerland’s unemployment rate of just 2.4% has led to greater pressure on employers seeking talent from abroad, due to a drop in the number of Swiss national jobseekers.

Despite such a tight labour market, the short-term outlook remains positive, with many Swiss and multinational organisations looking to create further jobs. Low taxes, a skilled labour force and economic stability continues to make Switzerland an attractive proposition for employers. As a result, demand has risen as Swiss employers advertised 6% more jobs in Q2 2018 in comparison to a year ago.

However, due to such a low unemployment rate, employers face the threat of a shortage of skilled workers. To mitigate this, organisations are recruiting staff from abroad, with over 320,000 registered cross-border commuters working in Switzerland. However, in July 2018, measures against mass migration came into force, following the result of a vote on a popular initiative in 2014. This will make it harder for organisations to employ workers from abroad.

BANKING TRENDS

The Swiss banking landscape continues to diminish, with a total of nine banks leaving the country in 2017, bringing the total to 253. This compares to 20 years ago, when the country had more than 400 banks. Alongside this, the number of people working within the banking industry has declined, with staff numbers falling 7.7% in 2017 to around 93,000 professionals.

Switzerland's financial services' landscape was dominated by the 'Sovereign Money' initiative, which aimed to make the Swiss National bank (SNB) the only body authorised to create money in the country. However, this initiative was overwhelmingly opposed, with just 24.3% of voters supporting the initiative following a vote in June.

Under international pressure, Swiss banking's reputation for secrecy has started to weaken, as recent changes have put Switzerland in fierce competition with faster-growing centres like Hong Kong and Singapore. Following a series of regulatory changes, excluding the two big banks, KPMG calculates net profits rose almost 20% in 2017 to CHF2.8bn (£2.1bn), with larger banks performing best.

OUTLOOK

- Switzerland's labour market remains tight, with the country almost reaching a point of full employment.
- To combat the ensuing skill shortages, employers are focusing on cross-border hires, with over 320,000 already travelling in to the country for work every day.
- Staff numbers within Switzerland's banking market have been depreciating in recent years, however profitability has not, which may lead to a period of active hiring.

US MARKET

NEW YORK

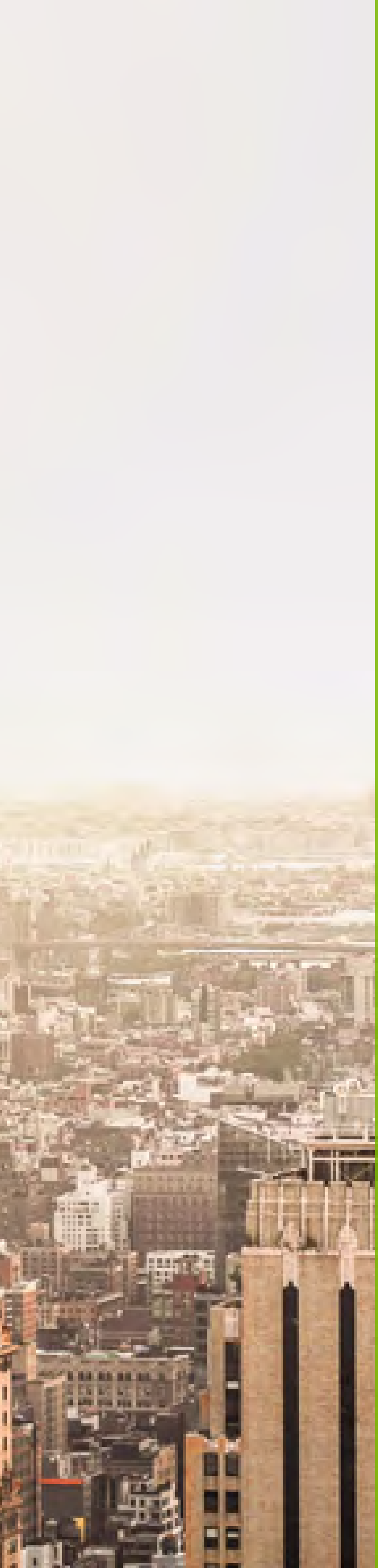
CONTINGENT HIRING OVERVIEW

New York's unemployment rate reached 4.1% in 2018, its lowest level since records began in 1976. Hiring was strongest in professional and business services and remained steady in financial services.

Demand for professionals with a background in big data and data science remained high; specialists at mid and senior levels with the ability to implement systems to allow employers to benefit from big data insights were most sought after.

New York is currently ranked as the city with the largest technology skills gap especially in Java and Python. Talent with experience in technology such as robotic process automation, machine learning and adaptive intelligence is also still in short supply.

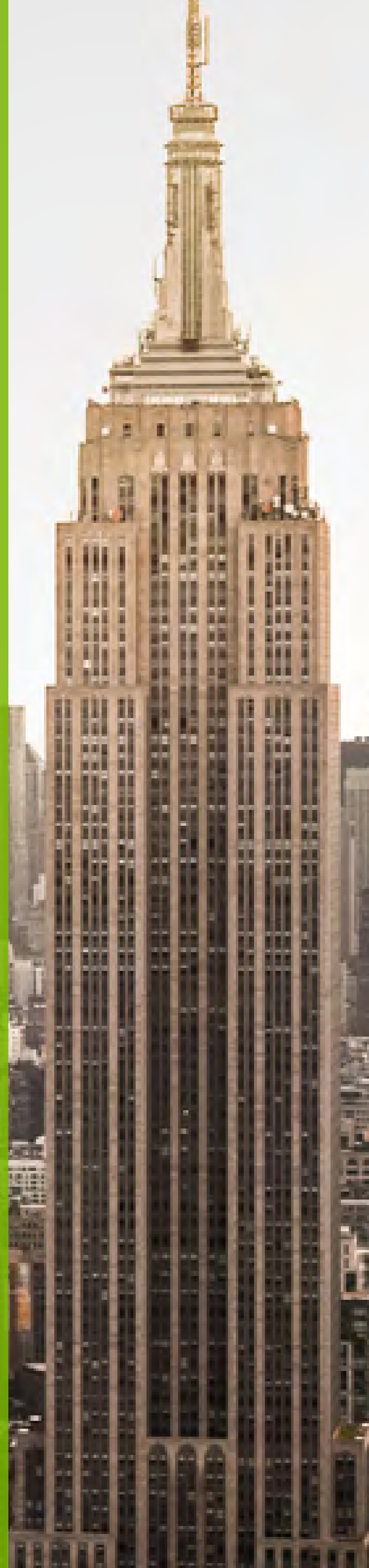
To mitigate the skills shortage, New York is currently experiencing in financial services, some banks have targeted internal mobility, extending contracts and re-skilling or training employees to complete different roles. The traditional work environment is changing and organisations are increasingly looking to add to their teams with external consulting talent. This presents a more disruptive impact to modern talent management for 2019.



BANKING TRENDS

New York has replaced London as the world's top financial centre as Brexit prompts banks to shift jobs out of the UK. One investment bank is increasing its headcount in its credit solutions team, moving the team from Europe to New York in the hope it will kick-start their business.

The requirement for Cryptocurrency and Blockchain skill-sets is increasing at a rapid rate. Listings of Blockchain (the distributed ledger technology) skills have skyrocketed more than 6,000% and many financial institutions have started building their own Blockchain teams. Following the trend, one organisation has opened a new office in New York and has plans to expand the operation from 20 to 150 employees in 2019.



OUTLOOK

- Contingent hiring continues to be adopted as banks deal with a candidate shortage created by the lowest unemployment rate on record. Focus on flexible working and internal mobility strategies continues in the hope of counteracting the skills shortage in New York.
- The demand for Cryptocurrency and Blockchain skill-sets is becoming increasingly prevalent, with financial organisations changing their strategy to keep up with growth in 2019.

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This report has been compiled with support from our sector specific recruitment specialists across Robert Walters Group, including Resource Solutions' on-site teams, Resource Solutions' Centre of Excellence teams and Robert Walters' market discipline directors and managers across the UK, USA and Europe.

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