

# MARKET UPDATE

## > AT A GLANCE



**“JOB FLOW HAS INCREASED, BUT HIRING MANAGERS CONTINUE TO BE MEASURED WHEN RECRUITING BOTH PERMANENT AND CONTRACT CANDIDATES. KEY AREAS OF CANDIDATE SHORTAGES REMAIN IN QUANTITATIVE RISK, PARTICULARLY AREAS OF CREDIT AND FIRST LINE OF DEFENCE OPERATIONAL RISK.”**

**Harriet King,**  
Managing Consultant  
at Robert Walters.

## OVERVIEW

After a challenging period in 2016, recruitment of risk professionals increased significantly this year. Rising confidence in the financial services sector and renewed investment in risk management teams, particularly in London, led to a significant rise in the number of jobs available. During H1 2017 job flow has increased by around 40% compared to the same period in 2016.

### KEY HIRING AREAS

There has been high demand for quantitative risk professionals across counterparty and market risk analytics. We have seen specific demand for quant analysts at the AVP/VP grade who have the ability to undertake quantitative reviews of risk/pricing derivative models, model validation and regulatory documentation, coupled with the ability to code (C++, C#, Python and R) to update quant libraries utilised by the front office and risk management groups.

Increased activity in front office transactions across the market has seen demand increase for corporate, hedge funds and leveraged finance counterparty credit risk analysts, particularly those with specific sector coverage. Firms have also made a concerted effort to improve counterparty credit risk management with increased focus on margin clearing, capital efficiency under the MiFID guidelines and IFRS9 credit risk reporting standards (coming into effect January 2018) resulting in an extremely competitive candidate market.

Within market risk there has been demand for regulatory and portfolio level market risk managers with limited new roles for front office market risk management. While market risk analyst positions have been less prevalent, there has been some strategic hiring across the fixed income market risk space at the AVP and VP level. Businesses are considering internal candidate pools and moving strong candidates between asset classes in order to overcome the shortages and problems faced when attempting to recruit externally.

Demand has been increasing for professionals with regulatory risk skill sets, particularly for candidates who have coverage across treasury, liquidity and capital management at an enterprise level.

There has been a focus on ‘first line of defence’ recruitment within operational risk management, largely driven by the senior managers regime requiring firms to ensure control and conduct risk frameworks are robust enough to deal with the heightened accountabilities of individuals. Outside of this there has been demand across governance functions for specialists providing assurance of businesses’ regulatory compliance, scenario analysis and IT operational risk (cyber/security risk). Finding professionals to fill these roles has been challenging due to the shortages of strong candidates in the market with broad ORM transferrable control and scenario experience.

### COMPENSATION

Despite shortages of professionals with key skill sets within risk, employers have remained cautious, with salary increases remaining around the 10-15% mark across risk.

Quantitative risk roles are a notable exception, where skills shortages are most acute. Businesses are increasingly benchmarking salaries against current team members rather than being dictated by candidate expectations. When considering new roles, candidates are now more focused on their fixed take home salary rather than potential of total compensation as these numbers are less assured than they have been previously.

Contract and interim rates have actually seen a 5-10% reduction across most areas. However higher daily rates are still being secured by risk professionals supporting RWA capital treatment and regulatory risk initiatives due for delivery in 2017 (IFRS9/Uncleared Margining/Stress Testing).

## AT A GLANCE

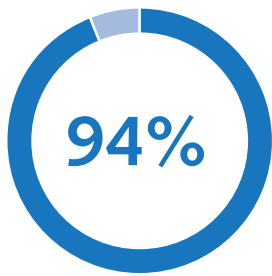
# RECRUITMENT TRENDS

### UK JOBS INDEX

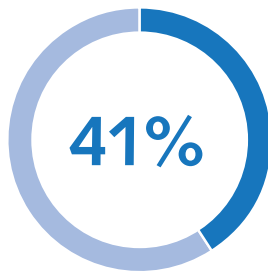
# 33%

Financial services jobs in the UK were up 33% year-on-year

### PASSIVE JOBSEEKERS



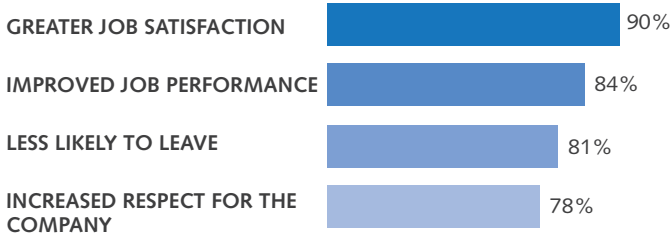
94% of professionals are open to a job approach even when not actively looking



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

### WORKPLACE CULTURE

#### What are the benefits of a good cultural fit?

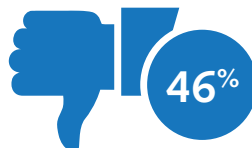


### DIVERSITY

#### Do businesses believe diversity is important?



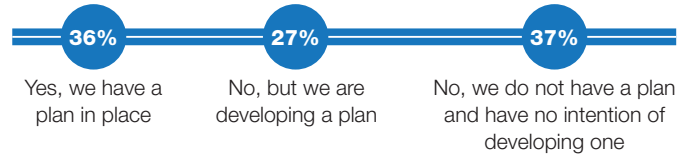
85% of employers say that increasing diversity in their workforce is a priority



Yet almost half of employers do not have programmes in place to attract diverse candidates

### SKILLS SHORTAGES

#### Does your company have a plan for managing talent shortages?



### ENGAGING WOMEN RETURNING TO THE WORKFORCE

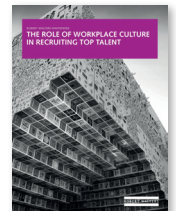


### MARKET LEADING INTELLIGENCE

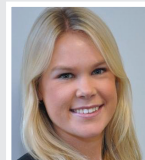
The Robert Walters Salary Survey is the most comprehensive review of global recruitment trends and salary levels available. It's ideal for benchmarking your team's salaries, your organisation's salaries and your own, making determining pay and bonus reviews significantly easier.



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 our specialist recruitment division.



To discuss your recruitment requirements, please contact:



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