



**Empirical
Search**

Practical Recruitment Solutions

Market Update

Treasury & Risk Oversight

Financial Services

July to December 2021

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Introduction

Our fourth consecutive market update commenting on a busy prior half year, and we foresee this activity being sustainable. Previously we adopted a cautious approach to describe market activity, flirting with branding it buoyant, though activity levels experienced since July 2021 suggest corporate recruitment is at the top of the agenda and utilising approved and unused headcount is at a premium. Buoyant is now clearly a fair description and five years of pent-up demand after the uncertainty of Brexit and initial hesitancy due to Covid, surely are contributing factors.

Below are some snapshots of Notable Activity and Key Messages we feel worthy sharing to those planning to recruit. We hope these are useful and continue to welcome your feedback and discussion.

Notable Activity

Growth in **Payment businesses** continue, requiring enhanced corporate functions to support the ambitious front-line initiatives. New treasury teams are being built due to their key contributing need to manage liquidity and market risk and supporting entity and subsidiary growth with capital injections.

Banking Book Risk (IRBB) skills are in demand. Active hiring with some banks to achieve better structural risk management to improve income stabilisation. Greater focus employed on widening the breadth of their behavioural models and increasing sophistication, reducing a contractual focus, and implementing new hedging strategies.

Non-banking financial institution (NBFI) FCA regulation knowledge continues to be in demand, especially with the introduction of the Internal Capital and Risk Assessment (ICARA). Regulatory professionals who can impart past ICAAP knowledge to the ICARA, will be in demand.

Consultancies of all sizes hiring in Treasury and Prudential Risk advisory appear to be experiencing an all-time high need to hire. Additional to the variety of work on offer, their key selling point appears to be full flexibility to work from home.

Structured Funding technical experience continues to be in demand and widespread across issuers (bank and non-bank), custody houses and rating agencies.

Contract hiring appears to have found its rhythm again with the majority being within IR35 regulation and end clients approving the use of Umbrella Companies. Recruiters have been challenged to ensure clear messaging on the end-client costs, previously simplified by the Limited Company model.

'Recruitment Process – key messages to share

Most **activity** from Analyst to mid-level Management, whilst senior appointments, Heads of, Directors etc, were relatively stable.

Shortlist lengths on the decline, whilst opportunities for candidates are on the rise.

Counter and competing **offers** are prevalent, currently at unprecedented levels.

Fast and decisive processes proved to gain most committed candidate acceptances.

Hirers **staying in contact** with new hires during notice periods reduced chances of candidates tempted to consider other opportunities.

Salary increases at the junior levels continue to rise. If you hired at the 3 – 5 year experienced level over two years ago, be prepared for 30 – 40% increase in market value when next hiring. The key message here is not solely about new hires, it is also about ensuring existing staff are well rewarded.

Direct sourcing efforts continue to capture a portion of the candidate market, namely candidates visibly searching, yet regularly hirers are not aware of alternative candidates, the 'passive job seeker', known within the Recruiters network.

Consider **lateral thinking** when evaluating prior experience. Most hirers feel satisfied achieving 80%+ of skills sought. Such a high percentage is not always achievable, and we promote the importance of placing value on transferable skills, or the foreseen candidate's development ability, and diversity if the perceived ideal candidate is not available.

An increase in **advertised vacancies** has reduced what recruiters refer to as the 'inbound applicant', resulting in a greater need for the recruiter to take every vacancy to candidates, employing search skills regularly, ultimately prolonging recruitment processes.

Corporate titles and their significance continue to confuse applicants due to a lessening reliance on the past tried and tested yardstick of Associate, AVP, VP, Director and Managing Director. Banks have changed titles, whilst NBFIs typically adopt a different structure with no uniformity within their industry. The key message here is, judge a role by the challenge it will offer and the level of pay.

An uptick noticeable in people **returning to past employers**, mostly no more than 18 months after leaving. This is typically location motivated, where someone has moved from a regional role to a London role, and we suspect driven by mandatory office attendance starting to be on the rise. Perhaps the reality of travelling to work, even partially in the week, has lost its appeal.

The UK appears to be comfortably past severe Covid restrictions, and we predict many employers to imminently implement **office-based working schedules**. Our previous update mentioned the prediction of a 3-2 split and that appears to remain popular. Employers offering staff a choice, rather than a directive, tend to experience greater conformity.

The loss of the option to freely **hire from the EU** is now a year old. Perhaps too early to directly link this with the market feeling busier and with counter and competing offers being prevalent. It may be the first signs of the effects that not having easy access to EU talent, where these candidates would have plugged the gaps. A key message here is hiring via a Tier T2 Skilled Worker Visa is easier than the previous model.

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It is hard to fathom two years has passed since we left our office, and we started to experience the new way of working. For recruiters where physical facetime was perceived as a key ingredient to success, we have adapted well. On reflection, we feel that perhaps less facetime has increased productivity and allowed for more time to search the market for less obvious job seekers. We continue to welcome virtual meetings opposed to traditional phone calls and when office-based work is on the rise, we surely won't object to a coffee meet. We are proud to share that our business has not suffered, and we have continued to gain market share in our core specialism, whilst building better networks in other disciplines, notably Regulatory Reporting. We have maintained our high delivery levels in the regions and continue to have an open mind on tackling international mandates. Thank you to our loyal clients for the repeat business and at times for referring our name, as well as to clients who are new and put their faith in partnering with a new supplier. We look forward to working with all of you again in 2022.