



**Empirical
Search**

Practical Recruitment Solutions

Market Update

Treasury & Risk Oversight

Financial Services

H2 2022

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Introduction

We blink and January is over! After sustained high levels of recruitment, plus regular warnings of slowed global growth and a likely recession, we expected H2 activity to gradually slow down to a market yielding normal levels, though recruitment remained busy and the theme of challenging candidate sourcing from past updates remains. Currently, recruitment activity feels busy.

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

Notable Activity

Resolution Planning – the first two-year Resolvability Assessment Framework (RAF) cycle now complete, the sustained recruitment is a mix of incumbent's desire to try something different; the RAF process has matured with key attention areas identified; and Resolution remains high on the PRA thematic agenda. Effectively, there is still work to be done.

Building Societies busy - Another year of significant senior financial risk hiring amongst the smaller societies due to a mixture of replacement and new hires. Second line models are still to become fully consistent across the market and still bedding in in some places. Treasury operating structures are far more settled nowadays. Demand still high and this has been most prevalent across the larger more complex societies with newly created analyst level roles forming the lion share of the available positions we've seen. Increasing post pandemic challenges in regional hiring has caused many societies to focus on building from the bottom up where local talent is more plentiful and minds are easily upskilled.

COREP - Very big increase in COREP related regulatory reporting roles. Some that sit inside and others that sit outside of a Treasury organisation structure. This has been prevalent amongst the regional building societies and smaller fintech challenger banks in London.

Repeat hires – a healthy proportion of the market activity includes vacancies being recruited for the second, sometimes third time, due to losing to counter and competing offers. Combined with increased job flow, revisiting searches also accounts for lower candidates levels.

Banking Book Interest Rate Risk – interest rate increases to control inflation and rising cost of living has impacted capabilities around banking book volatility management, and likely a key concern for CFO's to remain within IFRS9 criteria and manage within tolerance. Interest rate risk candidates with less than 10 years' experience have never seen such volatility, and with the increased hiring and reliance on existing staff, its caused a severe short age of talent.

High impact hunger – Over half of these banks had sustained hiring in 2022, with no sign the pace is slowing.

Tier 2 Visa – noticeable increase in willingness to hire via this route, allowing access to wider international talent pool.

Unexpected return to work – Increase in the number of our retired senior treasury and risk people enquiring about contract work. Possibly owing to the need to feel stimulated, or perhaps a mismatch between inflation and their pension payments.

LinkedIn advertising – a continued increase of vacancy posts by the business, additional to recruitment teams, has shown the importance firms are placing on covering every angle to attract talent, as well as highlighting recruitment challenges to find suitable talent.

What remains highly relevant when compares to previous market updates

- Short lists remain short. Be prepared to decide on one or two candidates
- Counter offers remain a big threat
- Flexibility on working pattern increases chances of securing your candidate
- Salary increases remain high, typically between 20% and 40%
- The spike in salaries remain prevalent with entry to mid-level candidates
- Advanced quant skills regularly requested in job descriptions

Promotion hires

When a promotion feels imminent though the urge to move is high, can easily be described as a career move conundrum. Recruiters have constantly warned candidates the difficulties of receiving a promotion by changing employers. That industry norm has changed and what was once close to next to impossible is now next to probable. In particular we have seen an increase in the number of senior AVP candidates getting VP offers amongst the investment banks as these banks have been unable to increase the banding to align with what current VPs are asking for.

Like for 'not like'

Typically hirers like to replicate skills similar to themselves, or at least their immediate team. For example, Retail banking skills has long been considered not transferring well to investment banking – lack of complex product knowledge cited. Nor has large institution to small – too narrow skill set cited. This opinion is changing and we feel is driven by numerous factors. First being a sustained increase in hiring forcing hirers to compromise; second a result of Fintech's aggressive hiring and taking a large percentage of available talent; third is the realisation that candidates are capable of learning new skills if they have some base knowledge, either by working in a closely related team or knowledge being theoretical.

The internal candidate

The internal candidate for recruiters could be described as the 'enigma candidate'. Many recruiters have fallen short of a placement due to internal mobility. In this candidate short market we are confident to encourage our clients to not recruit externally and commit to hiring the internal candidate. This approach saves time, guards against pressure on salary inflation, and adds technical skills to a new candidate in a niche talent pool.

How short is too short?

A healthy topic to debate would be the view of favouritism to hire a candidate with good cv continuity versus one with multiple moves. Healthy stints of time in one firm with job moves perceived as considered moves, what recruiters refer to as the 'clean cv', typically would be favourable against a candidate with multiple moves, the 'job hopper' or a candidate recently pivoting to a new technical discipline, a good candidate though still 'technically green'. However, positives can be taken from multiple job moves, namely experiencing different approaches, cultures and demonstrating the ability to adapt. As for the candidate with the recent technical pivot, an interview will help demonstrate their ability to learn new subject matter and ascertain their reason for this perceived unpredictable desire to move. The current market is demonstrating the best candidate is not always the best one on paper.

Empirical Search

As the new year begins we are motivated to continue servicing our loyal clients and continue to add new clients across diverse industries. Three years of a new way of working, notably less office time and coffee meets, our ability to maintain past service levels hasn't waned. And we are proud to share that our placement numbers have continued to increase year after year. Our candidates and clients always come first and we aim irrespective of the final outcome, whoever we work with has an enjoyable and fulfilling experience of the recruitment process. And we sincerely hope you have had that experience. All the very best for the H1, please feel free to call us to share your views, and we looking forward to working with you.