



**Empirical
Search**

Practical Recruitment Solutions

Market Update

Treasury & Risk Oversight

Financial Services

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Introduction

As the UK hits its hottest temperatures seen to date, it feels like an appropriate comparison to describe the recruitment market. Activity has continued to be buoyant and we feel the last 12 months have shown the busiest levels since pre financial crisis of 2007. Its creating interesting and at times very frustrating experiences for recruiters and hirers, whom many would not have experienced such activity in their careers.

Looking ahead, despite recruitment activity maintaining such high levels, it is fair to apply some level of caution for what lies ahead with the forecasted reduction in consumer spending, inflation, rising interest rates and talks of recession.

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

Fintech hiring slowdown – despite our message of a hot market, a portion of the fintech's, notably Payments, have slowed recruitment in recent months, with some committing to redundancies. Most will report this being an interim headcount review after a hiring boom, though with considered strategic hiring to follow.

Consultancies – regular hiring remains in consulting, in London and in the Regions. We see 12 month pipeline for ongoing hiring and across banking and non-banking financial institutions for prudential risk and advisory. Anyone with a desire to broaden their experience and be at the forefront of evolving regulation, consultancy is the place to be.

Capital subject matter expertise – recruitment mandates have seen a surge for technically competent capital professionals, with strength in regulation, both ICAAP and the developing ICARA. All levels are in demands, especially those with 3 – 7 year experience.

IRRBB – the ongoing need for technically competent non-traded market risk professionals has proven to be sustainable, seeking talent to deliver in strategic balance sheet management and developing internal and external reporting capabilities.

Challenger banks – the desire to grow balance sheet, take market share, be it organic growth or acquisition, has not waned. Challenger banks have shown prolonged success in offering the market a constant supply of treasury and risk oversight career opportunities.

Bank of England departures – We have seen a notable spike in leavers and feel this could have been propelled by the rapid rise in cost of living and the positive chatter about the market offering attractive salary increases.

A few one liners to demonstrate the busy market

- Short lists remain short. Be prepared to decide on one or two candidates
- Direct advertising periods shortened resulting in faster reliance on recruiters
- A noticeable increase in candidates preparing less for interviews due to volume of choice
- Avoid discounting candidates who have less tenure in their current role
- We are increasing our efforts to prepare clients for the interviews, not just the candidates
- Re-align your expectations of “you get what you pay for”. Large salary increases remain!
- Ensure pre-employment screening is fast to avoid counter and competing offers

Recruitment Process – key messages to share

What works best in the **working pattern of the week** remains topical. Most topical is office time versus home time. Working in the office two or three days per week remains popular and in practice we have found the end result typically being one day less than official guidance, demonstrating the difficulties in managing companywide hybrid working. Another model, “the four day week with same pay” is less common. And the final option, is the nine day fortnight, though with the sacrifice of pay, similar to traditional part-time employment. **Success in hiring** and retaining good talent is demonstrating **flexibility on working pattern** and we do not foresee this to change.

Without work restrictions, **should interviews be in person?** We recommend not for first stage. The introduction of virtual interviews has seen unparalleled advantages in gaining access to more candidates. Virtual interviews allow the passive job seeker to feel comfortable to commit to meeting and history has shown the passive job seeker is typically the strongest candidate. Virtual interviews continue to succeed in fast interview processes, where speed is currently a premium requirement to secure your preferred candidate.

Meet your new hire before starting! If there was one message to share this would be to meet your new hire, in person, before they start. Counter offers are at their highest and most persuasive levels. Speedy pay increases have been signed-off despite previous annual reviews seeing nominal increases. And beware of the non-financial counter offer ranging from promotions, pivoting discipline focus, reduced hours, increase in days working from home, and even the right to work abroad. **Competing offers** remain a threat, where candidates are being tempted to continue completing applications, and even beginning new ones. Remember, the market is candidate short, candidate hungry, leading to some irrational behaviour from hirers. Building the rapport with a new hire is the only way to safeguard against losing them before they become a permanent member of your team.

Right to work abroad is gaining interest, yet we cannot see consistency in the market. We feel the majority of businesses remain opposed to making working abroad an official benefit and maintain special approval. Of businesses who do allow the right to work abroad, most range between 5 and 10, with some at 30. Very few allow more due to income tax implications.

Reduced **availability of EU talent** is now noticeably putting strain on the ability of businesses to hire from deep and diverse shortlists. We are missing the option to tap into that wider pool that consistently yielded good candidates and at a fair price. The **key message** here is to consider sponsoring via the new **Skilled Worker Visa**, as it is easier and faster than previous years before Brexit. The previous cap on annual hires ceases to exist, as does the need to advertise the vacancy to satisfy a Resident Labour Market Test, as the employer merely requires to have a valid vacancy.

The merits of the Retainer are now demonstrating their greatest value. Threat of success risk prevalent in busy contingent recruitment is not solely burdened by the recruiter, as hirers face the same risk relying on committed and motivated recruiters juggling multiple assignments, to persevere through the trials and tribulations of a busy market. The retainer locks in the recruiters commitment and offers both the hirer and recruiter greater search options and at an agreed time scale.

Consider **lateral thinking** when evaluating prior experience. We mentioned this in the last update and we mention it again given its importance. 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. Additionally, do explore creative ways of hybrid working.



How sustainable this surge in recruitment will be tested over the coming months and we expect an interim slowdown in the summer and holiday season, with increase in activity in quarter four. A cooling of this past recruitment boom is inevitable, though not severe enough to limit job seekers new career opportunities offered from traditional replacement and strategic hiring.

Empirical Search

The beginning of H2 each year marks another anniversary for Empirical Search. Entering our eighth year of business we feel confident and proud to say we remain regularly at the forefront of people's minds on the topic of Treasury and Risk Oversight recruitment. We credit this to a small yet dedicated team.

Thank you again 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. Enjoy the summer and holiday season and we look forward to working with all of you again.