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Financial sector recruitment trends for 2010

By Elizabeth Harrin (London)

Last year wasn't a great year for financial services, and if you managed to keep your job you're probably wondering what new employment 'challenges' 2010 will bring. It's a mixed story, but the good news is that there *is* some good news.

Sectors that are picking up

Sue Sattler, President of recruitment company Talent Network Group, believes that bank recruitment is going to pick up in 2010. "We will experience some increase in hiring greatly due to the troubles in the banking industry and new compliance and legislation that will continue to unfold," she says. "The last half of 2008 and through 2009 we saw many newly created positions or additions to staff. These positions were largely in credit, corporate risk and compliance. Many of these positions were mandated or recommended from the bank examiners." Sattler also believes that mergers and acquisitions will be a growth area this year and may be another avenue for those looking to transfer their banking and finance knowledge and skill set.

Sue Allon, CEO and founder of Allonhill, a mortgage due diligence firm, has seen an improvement in her sector too. "The mortgage securities market is clearly coming back," she says. "Even in the past couple of months, the deal flow and work going into getting deals moving has stepped up dramatically. There is recruitment going on in this sector, at the banks, the hedge funds and the expert service providers like Allonhill. When I walked the trading floors of the major banks last summer, the lights were off in some cases, and there were very few people there. I'm now seeing hundreds of people back on the floors, and they are very busy."

Things in the pensions world are also turning the corner. "The public pension industry is holding steady," says Mary Hobson, executive vice president and managing director at executive search firm EFL Associates. "Although not creating too many new jobs, there are still retirements and changes going on, in some cases due to poor performance of the funds. We see this mainly at the CIO level, as well as asset class heads."

Opportunities for job seekers

When it becomes harder to hire talent it's a clear sign that things are taking a turn for the better – at least for candidates. "We are now competing more for the people who bring knowledge that is specific to our business," says Allon, "whereas a year ago we could have hired any of them, easily."

"The best opportunities I see are for those with diverse skills sets," says Barbara Fette, group vice president for national sales at staffing and solutions firm Kforce Inc. "Many companies are now trying to rebuild their internal management structure and are looking for 'triple threat' people with analytical, business functional and subject matter expertise." Fette has also noticed an emerging trend. "I am starting to see analysis roles opening at the senior and mid levels, as firms look to add to their business intelligence and business analytics capabilities," she says.

A study by Heidrick & Struggles reports that the greatest opportunities for job seekers are in credit and equity, given the dislocation in the credit markets and a preference for more liquid assets. It also reports that there are opportunities for experienced sales and marketing professionals, driven from a need for firms to capitalise on what they have and capture new and sidelined assets.

Flat recruitment

Despite mass redundancies, the financial sector is still finding it hard to source great candidates. "There are not as many available candidates at the senior level in finance," says Fette. "There are not many CFO roles being added." In addition, Fette reports that many candidates are now willing to start with contract positions, where previously they were interested only in direct hire positions.

Hobson has a similarly sobering view. "I believe recruitment will be flat," she says. The signs just aren't there of a pick-up at this time, and with the prospect of new and greater regulation at the federal level, I don't believe some of the jobs lost will ever be replaced." And for those people who still have jobs, Hobson believes that they are staying put because industries outside financial services don't have a lot of opportunities either.

"In 2009 we had the lowest voluntary turnover rate in a decade," says Sattler. "Every year there is some amount of natural voluntary turnover, which is normal and often healthy. However this past year, no matter how miserable people were in their jobs, they stayed put; it was safe." She says that people who stuck with their jobs and were relatively happy before are now finding themselves dissatisfied due to an increased work load, lower pay, higher insurance costs and minimal recognition or career development opportunities from their employer. "And many have heard or are saying to themselves, 'just be glad you have a job,'" she adds.

Fortunately, things should pick up as the year goes on. Sattler predicts some churn towards the last half of 2010 as typically after a recession there is a spike in turnover.

The talent drain

Not everyone is choosing to stay in the same niche after redundancy, or after leaving a high-pressure, low reward job. Heidrick & Struggles report that the hedge fund market, which has traditionally had a small pool of highly talented candidates, is now competing for those candidates with endowments, foundations, asset management firms and banks. “In the investment management searches we’ve handled recently, we have had a number of candidates who have either been laid off from hedge funds or are looking to leave hedge funds because their business has declined,” says Hobson.

Banking itself is finding it harder to hold on to talent. “I have seen some bankers transition into ‘bank consultants’ and some move to mergers and acquisition firms,” says Sattler.

And not everyone is staying in the financial sector at all. “I do know of people who gave up their specialisations over the past couple of years because of the downturn,” says Allon. “I have a friend who is an attorney, and she went from working for a law firm, to working for herself, then recently threw in the towel and started a designer cookie business that is more fun and making her more money than she’s made in a long time. I get many job inquiries from people who have incredible experience in mortgage finance. I can’t hire that many of them, and they don’t have too many options, so it wouldn’t surprise me if more of them went the way of cookie-making. But probably just for a while, while the market gathers its strength.”

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