



MATT WADSWORTH | DIRECTOR

Matt leads our Banking & Financial Services division, specialising in Interim & Change Management, Finance, Risk, Regulatory and Managed Accounts. He has an in-depth knowledge of the sector which translates into an outstanding track record of delivering client-led solutions.

uk.linkedin.com/pub/matthew-wadsworth/4/93b/ab4

@ARUK_News

78% of organisations expect their headcount to increase or remain the same over the next year.

57% of employers still maintain that legislative change will be their biggest challenge for 2014.

The industry is more equipped to offer pay increases as incentives for their employees to stay.

Talent retention is now a key focus for all organisations in the Banking and Financial Services industry.

EXPECTATIONS ON PERFORMANCE

2013 was seen to be a strong year within Banking & Financial Services, with increased vacancy flow across the board. Subsequently, 2014 continues to progress buoyantly with 82% of our respondents confident they will maintain or enhance their performance over the next 12 months. Although this is a 10% decrease since our Winter Survey, it is still a positive improvement from the financial crisis that ensued in the not too distant past.

Increased stability in the Banking & Financial services industry has also led to 78% of respondents reporting that their headcount will either increase or remain the same over the next 12 months. This is a 7% increase compared to 6 months ago and a 35% improvement over the last 12 months. This stability will be paramount in ensuring performance growth over the coming year.

The rise is seen as more prominent within the contract population. This is in part due to a large number of regulatory projects currently underway within Investment Banks that require additional resources to meet aggressive deadlines. However, this is linked to potential legislative changes that could force banks to cut or extend the length of projects to adapt to any regulations put in place.

There is a positive feeling that the industry is improving and will gradually continue to improve in the coming months.

RECRUITMENT

Attracting and retaining talent continues to be of primary importance when planning the future recruitment costs of our clients, with 28% stating it as the biggest factor. As was evident in our previous edition, this figure suggests there is a stronger awareness of the challenges of talent attraction and the return of the 'War on talent.'

This awareness is further highlighted throughout our survey showing that 53% believe a lack of qualified talent, or losing talent to a competitor, were their biggest concerns over future recruitment.

Legislative change remains a key concern throughout the Banking & Financial Services industry with 57% of those surveyed commenting that this will be their business's biggest challenge over the next 12 months. Recruitment difficulties and uncertainty surrounding the economy still form a sizeable part of our client's concerns resulting in a combined 43% of the vote.

As was evident in our previous report, recruitment strategies continue to see a growth in the popularity of PSLs, in contrast to a strong increase towards RPO usage in recent years. Our survey revealed 43% of employers are utilising a trusted PSL, and 12% are working with RPOs, 1% less than 6 months ago. This suggests that the market has become saturated and clients are once again working with trusted partners to achieve results.

RETENTION

Staff retention has become a key focus over the last few quarters throughout the Banking & Financial Services industry due to the resurgence of the 'war for talent' and the recovery of the economy. These key factors have led to a market place which is severely lacking qualified talent, leaving companies little choice other than to poach employees from their competitors.

In an effort to fight this battle, companies are utilising enhanced compensation and benefit packages to stave off interest from their competitors. 30% of those surveyed have utilised compensation enhancers as a retention tool over the last 6 months, compared to just 19% in our Winter Survey. This figure coupled with the rise in the provision of benefit packages suggests a prospering Banking & Financial Services industry which is more equipped to offer pay increases and benefits as an incentive for their employees to stay.

Improved benefit packages have over the last few years become almost essential when looking to retain quality talent. This shift in focus has led to a variety of benefits being presented to employees. Traditional benefits such as season ticket loans, private health care and dental cover, all still score highly in the Banking & Financial Services results with 19%, 13% and 12% respectively. However, interestingly we are seeing a host of emerging benefits whose popularity is on the rise. These benefits include: Flexible working hours, share option schemes and child care vouchers.

Although there is an evident rise in compensation and benefits packages, 35% of clients surveyed still utilise staff training, development and career progression as a retention tool, up 7% from our previous survey. This approach not only helps retain candidates but ensures they are consistently developing the skill sets needed to help their organisation face upcoming challenges. Consequently training is seen as an investment in long-term recruitment policy, making it a highly attractive retention tool.

CONCLUSION

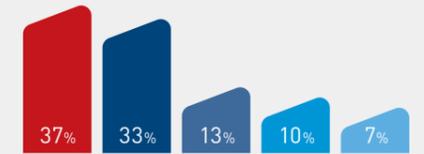
The Banking & Financial Services sector appears to be in good health as we look back on the first 6 months of 2014. Although there was a slight decrease over the last 6 months of respondent's confidence in company performance, it is still in a much better position than previous years. Coupled with this the increasing growth in company headcounts bodes well for the coming 12 months.

The increase in performance and rise in new vacancies over the last couple of years, has however led to a variety of recruitment issues. Most notably among these, is a reduced candidate pool with a lack of quality talent available, as candidates enter into newly created jobs. Similar to our last report, talent attraction and retention is continuing to be perceived as the number one priority when planning a recruitment strategy.

Consequently, talent retention will remain a key focus for the rest of 2014, as organisations look to maintain and grow their performance through creating and sustaining a workforce. Coupled with this we have seen an increase in companies providing compensation and benefit packages to current employees, something that is now possible in what is a more economically stable and legislatively flexible environment.

UK SURVEY RESULTS

What difficulties do you face when attracting talent to your organisation?



- 37% Lack of qualified talent in the marketplace
- 33% Good applicants being lost to competitors
- 13% Compensation
- 10% Lack of company brand presence
- 7% Economic/industry related concerns

In the discipline that you recruit for, what are the talent shortages you are encountering?

TOP THREE

Compliance & Regulatory

Senior KYC & AML

Programme Managers

82%

are confident they will maintain or enhance their performance in 2014

57%

cite legislative change will have the biggest impact on their business in the next 12 months