

Market Update – Q2 2012

“How long can this possibly go on?” – you must be thinking. An upturn in recruitment activity within the banking sector from July 2010 to July 2011 was rapidly halted; primarily because of the ongoing crisis within Europe. However this is not the only reason banks are continuing to change shape, ‘slim’ if you will, to become fit for purpose for the changed demands of customers and governing bodies. We have seen this happening with the government owned banks for some-time but now, we are seeing some earnest downsizing by others. The resulting increase in supply of candidates is not being matched by ‘client’ vacancies, leaving some people in the market for much longer than is usually the case.

So what are banks looking for when they recruit? Well firstly, to help with cost reduction, many banks are recruiting themselves, leaving out Agents. So when evaluating the market as a candidate, it is important to know which banks take this stance. Secondly, banks will only recruit externally when they have to and that means undertaking a thorough internal recruitment process first. This can be time consuming but is understandable in a period of cost constraint. Thirdly, banks are being super cautious before making appointments, which usually means a long list of requirements for their ideal candidate and a thorough process, meaning all recruitment is taking longer than it does in a healthy market. Finally, it’s fair to say that banks are upping the requirements on quality, which means that interestingly, there is already competition for key candidates. It remains that banks are recruiting strong all-rounders - those candidates that can attract new business, manage strong relationships and have appropriate regard for credit stewardship.

One would think that the ‘candidate’ side would be fairly straightforward. That is, there are more candidates in the market than opportunities, so when opportunities become available, they should be easy to fill. The exact opposite is the case. This is because good candidates are being very cautious before leaving organisations, even if they are disillusioned, which many are. And it is often the case that clients are looking for candidates that are embedded, and being successful, in competitors’ organisations. With information exchange regarding all banks rife, candidates accumulate this ‘information’ or ‘gossip’ to form opinions on their competitors which may or may not be accurate. This coupled with the caution in the market leads to few ‘A’ player candidates changing banks. If they do, it is usually because of strong opposition to cultural issues within their employer.

There is some light at the end of the tunnel. The current lack of recruitment coupled with the loss of skilled individuals in organisations can only last so long – without further pressuring incumbent employees and putting resulting pressure on risk management. Some of these organisations are starting to voice their need to recruit, so it won’t be long before that becomes a reality. Then, there are the new banks building/emerging – Santander, Virgin, Aldermore, Metro and Co-op to name a few. This is probably the most interesting development in the market for sometime as these banks provide genuinely new environments and therefore, compelling reasons for strong performers to consider changing employers. This increase in competition for candidates will bring an interesting change in dynamic that the market hasn’t seen for some years – eventually having a resulting effect on the improvement of cultures in existing banks.