

Financial services hiring– the tunnel may be dark but there is some light at the end

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IT hiring down 62% but robust activity in compliance and risk

The latest market update from financial services recruitment specialist McGregor Boyall has revealed a 62% fall in hiring requirements over the past year. Managing Director Laurie Boyall says that from a dramatic post Lehman recovery at the beginning of 2009 which lasted until the beginning of 2010, there has been a “gentle but ineluctable downturn in IT hiring.”

“You would think the fact that there is a correlation between general trends within financial services trading, and technology hiring, would come as no surprise but it does. For decades, IT has led an almost Cinderella existence in financial markets with Heads of IT turning up at Financial Director parties wearing hand me down frocks only to come away dressed as princesses. This appears to be no longer true and the old ‘damned if we do damned if we don’t but the competition’s doing it so we’d better’ argument just doesn’t hold water anymore.”

Boyall says that while indications would seem to point to the fact that the current downturn in financial markets trading is more structural than cyclical – and that business models may have to change irrevocably - there is light at the end of the tunnel:

“First, there is strong demand for technology to support risk and compliance systems. Second, against a backdrop of a more regulated and risk averse business environment, there is a definite underlying momentum (endorsed by Deutsche Bank’s Joseph Ackermann) for technology to deliver the efficiency necessary for financial institutions to achieve their ROI goals. Consequently, there is every chance that IT may be an eventual indirect beneficiary of the downturn.”

Boyall also points to strong and robust activity within compliance and risk: “ Financial institutions are under increasing pressure to ensure that their risk and compliance functions are both resourced and effective as they gear up for new regulatory directives. The contract market within risk is very busy while within compliance, the trend towards contractors transitioning into permanent roles, coupled with a wait and see attitude in the lead up to bonus season, has led to a lack of churn in the market and so we expect to see a flurry of activity in the new year.”

Ends

Tracey Dunn
BlueSky PR
0845 3700125
tracey@bluesky-pr.net