

Lean and mean in 2013:

Financial services jobs market predictions

MEDIA COMMENT

30 January, 2013 - A conservative but variable uptake in recruitment will characterise employment in Australian financial services in 2013, with most firms reluctant to add new headcount in large numbers and candidates remaining cautious about shifting, according to the world's leading financial services jobs board eFinancialCareers.

Replacement hiring will dominate this year, while new growth will be limited to a few job functions, in particular those linked to regulatory reform. And while employers may find themselves with high numbers of applicants for most vacancies, headhunting top talent out of their secure jobs won't be easy.

"Candidates in much of the financial sector will remain cautious and will prefer roles that offer employment stability and reasonable compensation," says eFinancialCareers Managing Director Asia Pacific, George McFerran. "In a risk averse market, firms will have to work hard to promote their employer brands and the career-development advantages of the roles."

Hiring goes internal

In the continued tight market, financial institutions' internal hiring teams will have increased responsibility. Firms will do what they can to reduce hiring costs and will prioritise internal mobility and cost effective recruitment strategies. Vacancies will only be advertised externally if there is an overwhelming business justification and managers will be encouraged to use their personal networks to source people as companies emphasise employee referrals.

With the big banks decreasing their recruitment agency use during 2012, only a big market upturn will reverse this trend in any significant way. Given the state of the current global economy, this seems unlikely, at least in the first half of the new calendar year.

Regulatory change drives growth

Regulatory change rather than global growth is likely to drive much of the hiring in 2013 as firms seek risk and compliance specialists to help them grapple with the likes of Basel III, Dodd-Franks and the Future of Financial Advice.

And if, as some economists believe, the RBA cuts interest rates further in 2013 hiring could also be triggered in areas such as residential, business and institutional lending.

Industry-wide layoffs and back-office off-shoring is unlikely to occur on quite the same scale as 2012, as the big banks have already announced many of their tough decisions. Yet job cuts are still likely at foreign investment banks whose local headcounts are controlled by budget conscious head offices overseas.

Superannuation consolidates

The watchword in superannuation will be consolidation as most large industry funds are looking to merge smaller ones into their business.

"While there may be some redundancies to eliminate back-office duplication, project management jobs will be created as well. Some super funds are internalising parts of their investment portfolio and will be recruiting investment teams in 2013," said Mr McFerran.

Late year outlook

The hiring outlook for the later part of the year largely depends on whether confidence comes back to the market.

"If and when it does, Australians are likely to invest more in equities and we could see some growth in funds management, stockbroking, and financial planning as a result," concludes Mr McFerran.

****ENDS****

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For further information: Cape Public Relations +61 2 8218 2190 Luke Roberts luke@capepublicrelations.com M: 0422 855 930