

*Bespoke recruitment services*

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## ISE Partners 2010 Employment Market Report



The ISE Partners market report provides HR professionals and hiring manager with a valuable insight into the current employment market in Central London and the South East during what is likely to remain an unsettled economic climate.

We have gathered information from client companies of varying sizes across the financial and professional services sector.

To complement this data we have also surveyed our candidate population between January and March 2010. The resulting statistics contained in this report are intended to serve as a resource tool and will enable our client companies to assess the market in relation to their own support staff retention,

Summary of key results

Recruitment and redundancy view

Salaries, wages and pay outlook

The working environment

Economic view and its impact on the employment market

Remuneration and benefits information

References and acknowledgments

- The jobs market will continue to shrink over the next 6 months with the number of planned redundancies exceeding the number of intentions to hire. Estimates by the CBI predict that un-employment will peak at 3 million by Spring 2010 around 1 in 10 people in the jobs market.
- There was a marked difference in the attitude from our candidate responses compared to the results we received in November 2008. Our candidates surveyed are now much more flexible in their job search regarding matters relating to pay, location and role responsibilities. For example in our last report only 40% of candidates would consider a decrease in salary and now over 67% will consider one.
- Hiring intentions have significantly decreased with a large percentage of employers using staff numbers as a direct and important way to keep costs down. For example we found that over 70% of employers surveyed are restricting the use of temporary staff for the last 6 months of 2009 in all circumstances.
- Over 60% of employers decreased their headcount during the first 6 months of 2009. In our previous report only 25% of employers surveyed were intending on making redundancies.
- Our previous survey indicated that offering stable employment was not enough to keep hold of top calibre staff however, this is now the directly the case. The best candidates are staying put until things pick up.
- The majority of our surveyed candidates currently looking for work (31%) have been actively looking for a new role for between 3-6 months. Over 70% of the same respondents were made redundant from their previous roles.

# Background Economic Data

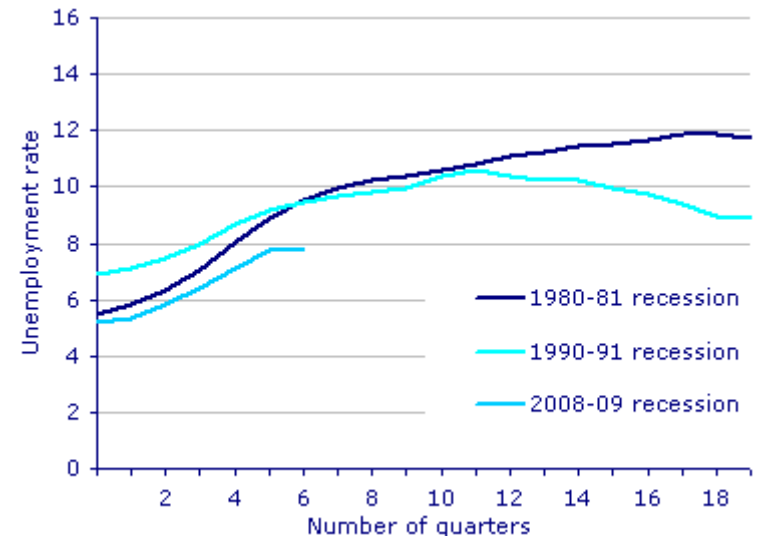
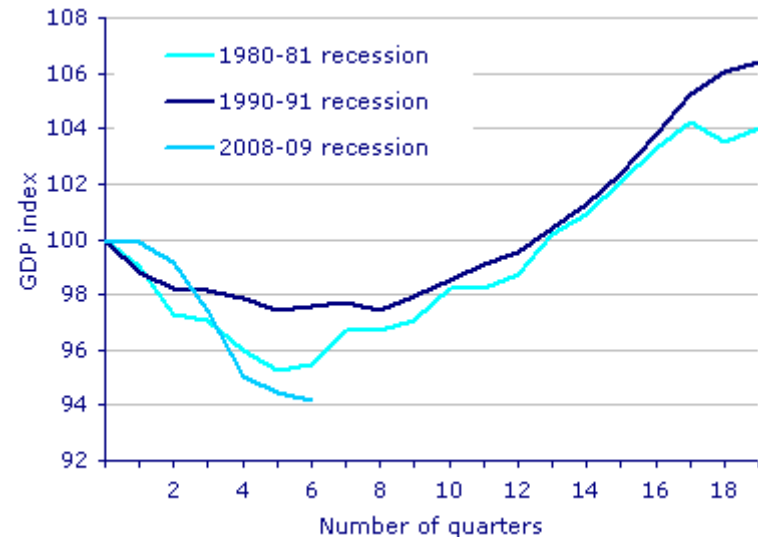
The latest GDP data shows the UK exiting recession at the end of last year with more momentum than initially estimated; whilst this is encouraging news, how has this affected employment trends within financial services and investments?

One of the most interesting features of this recent recession is that despite a rapid fall in GDP in 2009, the rise in unemployment has been relatively modest. Given previous recessions, we could have expected a higher unemployment rate (see charts opposite, source ONS). Whilst government methods of recording unemployment have changed some of the reasons behind this include:

- This time, the recession has hit the financial services sector more than previous recessions. Financial services are relatively less labour intensive than manufacturing in terms of staff numbers.
- Firms have sought to avoid unemployment by cutting back on hours or strict pay deals.
- An increase in young people going to higher education to avoid a very difficult labour market. Or an increase in older workers taking early retirement.

According to a March 2010 figures released by the CBI, Investment managers saw a rapid increase in profitability for the third consecutive quarter, underpinned by growth in business volumes and income from fees, commissions and premiums. The increase in volumes was predominantly driven by continued growth in business with financial institutions and overseas customers. But concerns over regulation as a restriction on business expansion over the coming year have risen, so that they are now at a record high. This tighter regulation could affect support staff numbers in key back office functions.

As an employment agency and employment business specialising in these industry sectors, ISE Partners has recorded a steady month on month increase in the number of vacancies being registered since December 2010 with a 40% increase in new vacancies being recorded from February to March



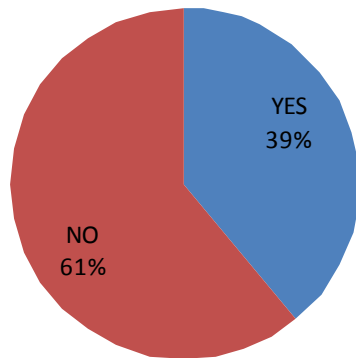
# From Redundancies to New Growth

- Our 2009 survey found that more employers(60%) made more redundancies than they had forecast in the previous year.
- Our 2010 survey covered three key “support function “areas: Secretarial and Administration, Human Resources and Accountancy. The study found that 25% of firms have no plans to hire staff into their support functions over the next 6 months with 63% planning to make both replacement hires and also new positions due to workload increase or restructuring. The remaining 12% of respondents were unsure about hiring plans for 2010.
- Of the firms hiring over the next 6 months, 63% are hiring across all departments, 12% into client facing/fee earning areas only.
- 25% of hiring respondents will be hiring secretarial and administrative staff, 29% are very likely to be recruiting HR professionals and only 15% are likely to be hiring finance/accountancy professionals.
- 52% of employer respondents believed that the majority of job seekers would be looking for a
- Only **7%** of employers are intending to increase their headcount during the last 6 months of 2009.
- On the other hand over 47% of employers surveyed are unsure of their hiring intentions over the next 6 months. This indecisiveness is understandable considering the uncertainty within the economy.
- 62% of employers surveyed however, would replace a member of staff who left over the course of the next 6 months. This is significantly higher than the 38% who said they would do so in our last report.
- Only 33% of employers surveyed would chose instead to allocate the workload to an existing member of staff within the team. Interestingly 82% of our surveyed employers feel that the ‘current balance between support staff and professionals is just right’ indicating that they are prepared to increase the workload of their staff should someone leave.
- Only 21.4% of the employers making redundancies have an outplacement solution for their support staff. 78.6% have nothing in place.
- We asked our clients to say whether they believed the majority of candidates currently on the market were only available because they had been made redundant. 71.4% believed this was the case and 28.6% did not.
- They were also asked to select a reason why (if we put redundancy aside) they felt candidates are currently on the jobs market. The majority (57.1%) think it is “because of the working conditions in their office”
- Over 70% of candidate respondents were made ‘redundant’ from their previous roles. Following this 20% have left/are looking to leave due to ‘career development’ and the rest are equally divided by ‘working conditions’, ‘salary increase’ and ‘relocation’.

# Salaries, Wages & Pay Outlook

- Over 60% of our employers surveyed have not offered their staff a salary increase this year.

## Salary Increase Offered?



- Of the 39% of surveyed employers who did increase salaries the majority (22%) offered a 2-3% increase. The lowest offered was 1% and the highest was 5%.
- Despite this over 60% of candidates currently working were hoping to receive a salary increase. They feel that their current salary is not reflective of current market conditions and the lack of bonus/overtime pay.
- We did find that over 67% of job seekers surveyed would take a salary decrease for their next role, especially if it means they will experience career development or a better benefits package.
- This is line with what employers are expecting; over 70% of employers expect candidates to be flexible with their salary expectations if they want to join the firm. 46.2% expect that to be within £1-£2k and 30% within £3-£5k

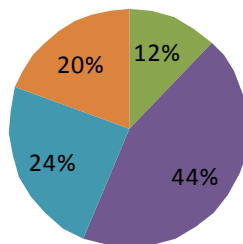
- 65% of candidates surveyed did not receive a bonus this year.
- Of the 35% who did receive a bonus, the majority (13.5%) received between £2-5k.
- In our last report only 50% of candidates did not expect to receive a bonus in this period. It is evident that less candidates received bonuses than expected.
- We noticed that from our surveyed employers, 40% did pay a bonus to their staff this year. The amount was reduced considerably from last year however.
- Employers are using bonus potential for next year as a real factor for keeping their staff motivated and performing. Indicating perhaps that they expect their companies performance in 2010 to be better than 2009.
- 40% of candidates surveyed have been asked to take a pay cut in their current position. This has been proposed in a variety of ways ranging from increased but unpaid holiday allowance, a 5-15% cut in their annual salary, shorter hours and part-time opportunities.

# The Working Environment

- We asked our surveyed candidates if they took the full allocated time for their lunch break. As you will see below, the majority of surveyed staff working in London do not take their full lunch break (88%) with 20% missing lunch completely.

## Do you usually take the full allocated time for your lunch break?

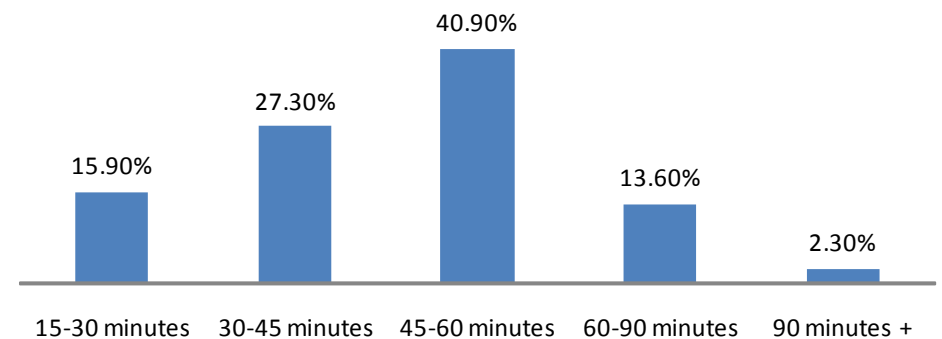
- Always take full lunch break
- Take some but not all
- Get lunch and eat at desk
- Miss lunch completely



- It seems that the working conditions for staff currently is poor with fewer candidates taking their lunch break, receiving salary increases/bonuses and expectations to work longer hours without reward. Why should they do it?
- We asked our candidates if they were working longer hours now compared to a year ago. 48.7% said 'no', 28.2% said 'yes' and 23.1% are working 'the same' hours compared to last year.
- Over 60% of staff said that no overtime recognition was given and was expected as part of their job when asked how their employers recognised any overtime completed.
- 37% of candidates would describe their current workplace as 'demotivated/unsuccessful/unstable'. Compared with 76.9% of employers who feel their staff are comfortable/performing well.

- Just under 70% of employers surveyed are not concerned about their staff retention over the next 6 months. Stating the lack of external opportunities available as the main factor (60%).
- Candidates were asked to select 3 factors out of 9 that had encouraged them to stay in any of their previous/current roles. 75% of candidates responded that the relationship with their boss was the most important factor, followed by annual salary reviews (60%) and a varied/challenging role (42.5%).
- We asked our candidates to select how committed to green policies they thought their current/previous employers are/were. 35% of respondents felt that they weren't committed enough, 33% thought they were and 32% remained unsure.
- Interestingly our employers surveyed had a much stronger view and over 46% of respondents felt the company they worked for were not as committed as they should be to green policies.
- Just over 40% of candidates spend between 45-60 minutes commuting to work each way. We also asked how long they would be prepared to commute in their next role and over 45% they would consider over a one hour commute to secure a new role.

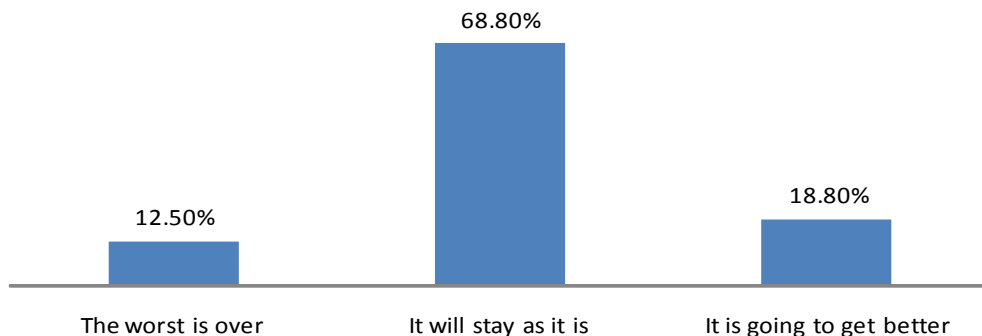
## Length of Commute



# Economic View & Its Effect On The Employment Market

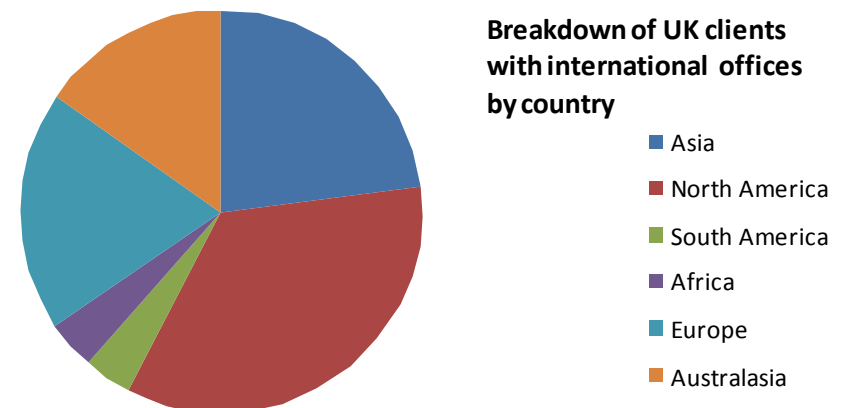
- The economy contracted by 1.9% during the first quarter of 2009 representing the biggest quarterly fall for 30 years. With unemployment figures showing that unemployment has risen to 2.3 million (a monthly increase of 177,000) taken together this could indicate that the recession is continuing to worsen.
- We asked our employers surveyed to provide their view on how the future of the economy was looking. Over 68% feel that things are going to stay as they are for the foreseeable future. Not getting any worse or any better.

## What is your view on the future of the economy?



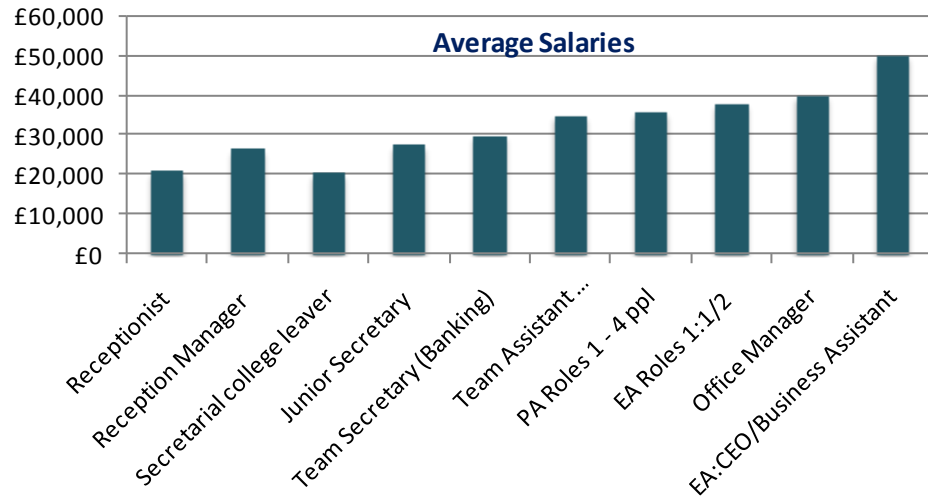
- We also asked our candidates to provide us with their view on how the recession was affecting them directly. Over 80% of were concerned about redundancy and over 25% had been asked to take a pay cut in their current role.
- There has been a notable increase (40%) in the number of temporary to permanent roles in the market compared to this time last year; showing that a) if employers are hiring, finding the right person is paramount and b) a flexible workforce is crucial for success during a downturn.
- Employers are also implementing tougher background checks on potential hires as part of the referencing period prior to offering.

- The summer of 2009 has seen a 66% increase in internships compared to last year. Employers are taking advantage of the free extra pair of hands.
- Despite the instability and apparent lack of opportunities surrounding the financial markets, the majority of ISE Partners candidates surveyed (61%) are still interested in and actively interviewing within the banking and finance sector.
- We have noticed that due to the cyclical nature of the recruitment industry a number of recruitment agencies have been forced into administration.
- A large percentage of candidates currently on the market (31%) have been actively looking for a new role for between 3-6 months. This is significantly longer than in our previous report when the average was 1-3 months (48%). This significantly demonstrates that there are far more candidates than roles available in the jobs market.
- 75% of our clients have offices internationally. Over 40% of them feel that the recession has affected them globally with no office being affected more than others. However 60% feel that their European and North American offices have been more affected by the recession than their Asian, South American, African and Australasian offices.



# Remuneration & Benefits Information

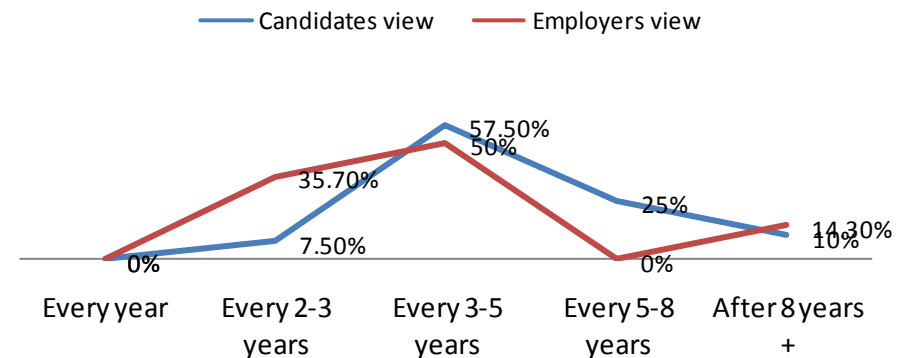
- We have noticed a decrease in the average salary paid to PAs in the 2009 survey results. On average (35%) of PAs in London are being paid between £30-35,000 per annum down from £35–40,000 last year.



- The average 2009 bonuses paid out to support staff was between £2-3k. Within the alternative investment firms however (private equity, hedge funds etc), bonuses were an average 20%.
- 25 days is the average holidays being given by our surveyed employers (64.7%), however 35.3% of firms are now offering 28 days or more excluding bank holidays.
- 84% of employers surveyed now offer private medical insurance for the employee and dependents.
- 23% of employers now offer free breakfast and lunch as a benefit for their employees. This is warmly received by our surveyed candidates (30%) who state that as a potential reason to accept a salary decrease.

- We have noticed increase in the number of candidates receiving dental healthcare compared to the last report. Only 15% of candidates who completed the report in November 2008 received dental cover, according to the 2009 figures this now stands at 28%.
- An employers Corporate Social Responsibility (CSR) is of a vague consideration to candidates when they are considering a potential company; with the majority of candidates (47%) selecting this option over others. The closely corresponded to our employers results where 53% also feel it would be a vague consideration in a candidates application. However for some candidates 27% it is a key consideration when considering their next role.
- 40% of candidates surveyed have been asked to take a pay cut in their current position. This has been proposed in a variety of ways ranging from increased but unpaid holiday allowance, a 5-15% cut in their annual salary, shorter hours and part-time opportunities.
- We asked our candidates and employers to outline how often they think it is important for employees change roles. The results were very similar; both candidates and employers feel that between 3-5 years is an appropriate length of service for an employee to give.

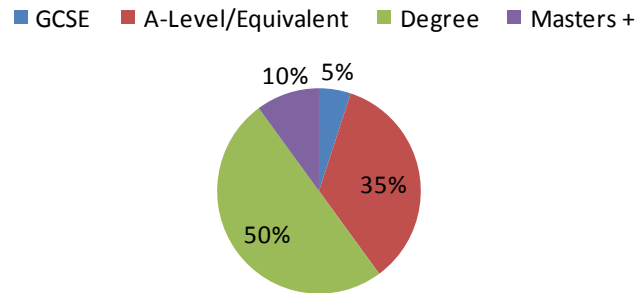
## How often should candidates change roles?



# References & Acknowledgments

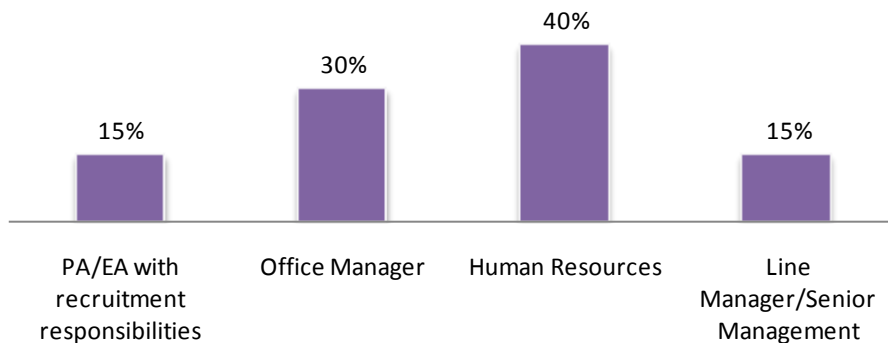
- 60% of the ISE Partners candidates who took part in our survey were **degree educated** or above.

**Education level of ISE Partners respondents**



- 40% of employer respondents work as part of the human resources department within their organisation

**% Breakdown of employer respondents**

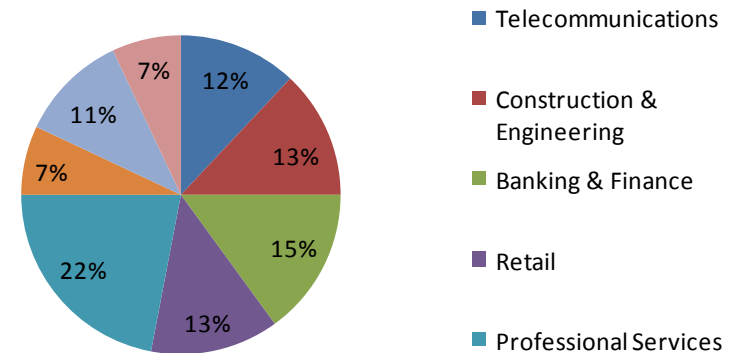


*Additional reports used:*

- REC annual recruitment industry review 2009/2010
- CIPD LMO Winter 2009/Spring 2009
- CBI news release 15/07/2009

- ISE Partners have a varied and diverse client base in London and the Thames Valley.

**% Breakdown of ISE Partners Employer Respondents**



- ISE Partners are very grateful to those organisations and individuals who gave their time to take part in the survey. We hope you have found the results informative.
- It is our aim is to initiate and develop strong communication with HR Professionals to keep them abreast of developments relating to the employment market. In doing so we can add far more value to our client companies beyond simply recruiting for vacancies.
- Please direct any queries to **Sivan Joss** on **0207 851 7636** or [sivan.joss@isepartners.com](mailto:sivan.joss@isepartners.com)
- ISE Partners is a boutique recruitment consultancy that has developed a reputation for placing excellent calibre support staff into talent rich, discerning companies who value high impact and dynamic support.*