

# Banking Technology Recruitment Market Update

September 2011

## Overview

Q3 2011 has delivered some unexpected trends across banking technology in the UK. Three thorny issues have combined to dictate the degree of optimism, or lack of it, in the hiring market – the US credit downgrade, worsening Eurozone debt issues and continuing uncertainty around levels of global demand.

This calming of market sentiment, married to a traditional seasonal summer slowdown, has resulted in a much quieter quarter across all areas.

Almost every major site has been through a major process of re-approval for all hires, with those projects & hires deemed non-critical, at best, mothballed, or rejected completely. The few business critical hires out there are attracting genuine scrutiny, and thus time-to-hire has been pushed out across most roles.

However, across the whole quarter, number of roles released across banking technology has remained in line with historical seasonal fluctuations, suggesting that demand is no more subdued than usual in the summer period.

Traditionally, the autumn represents the busiest spell of activity in the banking technology market. This has been consistently true even during the most volatile markets; as such it is expected that, even in light of some softening of demand in the UK banking sector in recent months, significant niche pockets of demand, aligned with natural turnover and wastage will ensure markets remain satisfactorily buoyant.

## Development – Java

The Java development market has been relatively quiet over the past quarter. This is partly symptomatic of the time of year but was also to be expected to an extent as there was a great deal of movement and high volume of roles in March/April bonus season.

With the majority of our investment banking clients going through their reconciliation periods in August, Java development roles at the junior and intermediate levels have been put on hold until more clarity is attained regarding 2012 budgets and headcount plans.

There has been a distinct reluctance from many candidates to change positions recently - partly a product of 'double dip' press reports and recent redundancy announcements from a few of the tier 1 investment banks. It is important to remember that such redundancies tend to happen at this time year on year, and should not necessarily be read as indicative of a wider cull over an extended period across London. Although the quarter has been relatively quiet, we have seen a marked improvement in the past weeks as firms complete their reconciliation periods and have started re-releasing roles.

The majority of roles being released appear to be senior development/team leadership roles that are deemed business-critical hires (hence needing to be filled at this time of year, and not next financial year).

Core server side J2SE Java development continues to prove the most sought-after skill set, and as ever most employers are looking for candidates with strong Java multi-threading skills, and experience in real-time, low-latency, high-throughput environments.

One notable exception to this is the demand for strong Java Swing UI developers - as employers tend to struggle to find permanent candidates with this skill set, as the market is predominantly contract.

Most firms are looking to hire Java developers in their equity derivatives, cash equities and FX divisions - so candidates with strong expertise of these areas are in demand. E-trading continues to be a popular pre-requisite for many Java development roles currently on the market. It is important to note that at the moment most of the hiring is very specific to headcount replacement, as opposed to headcount growth.

## Development – C++ / C#

The market for C++ / C# software development has been a turbulent place of late. A year that began with a sense of energy and movement has slowed down considerably over the last quarter.

This is particularly true in C++, where there has been a significant drop in demand for new hires. Conversely, there are still some live projects focused on high frequency, high performance programming using C++, and we expect these projects to continue.



More recently, there has been an increase in demand for programmers that have strong skills in both C++ and C#. It is possible that this trend is, in part, down to many houses keeping one eye on an eventual transition away from C++, although this view is largely anecdotal.

We expect the remainder of the year to be a period of demand for pure technologists, who are capable of creating high performance, clean and fast C++ code and we expect hiring in other areas to remain subdued.

## Application Support

Following the trend in Q2, the application support market has been driven by serious churn over expansion, particularly around the equity flow and derivatives and FX asset classes.

On the equity derivatives front, strategic restructuring of support teams at 3 major houses have seen serious movement between them, as they look to close the gap on the market leaders.

In the meantime, other groups continue to add talent across their established FX teams, whilst building out new business streams in futures and flow equities.

Arguably, the most exciting developments have been within risk, with new strategic platforms built at least two major houses, and EQ RMS applications playing a hugely pivotal role.

Candidates with strong experience supporting risk platforms, and a deep understanding of VaR have been heavily sought after.

Q4 will prove interesting, with hiring due to restart in traditionally the busiest period of the hiring calendar.

## Business Analysis

The business analysis market within financial services has remained very buoyant through the last quarter and we expect this to remain as we look ahead to the final quarter of the year.

We have seen particularly high demand from the investment banks and financial software houses for technical business analysts - experts who can speak the language of IT/development and communicate with the finance business. This is as firms seek to realise a higher efficiency output from their current systems and are favouring maximising the functionality of current systems ahead of any major changes of direction/implementations.

The demand for business process BAs has been slower this quarter, but we expect this to return to a more normalised level for the final quarter of the year. We have seen particular demand for BA's to support risk, compliance and Basel II as banks and financial companies feel the pressures being cascaded across from the US.

## Project/Programme Management

Over the last quarter, there has been pockets of movement, however due to the vast size and variety in this market; it is harder to identify genuine trends.

We witnessed the most movement across mid-level project roles, a result of reasonable H1 figures released across the financial services sector. There was demand for talented, delivery focussed SDLC Project Managers who were also subject matter experts, although this slowed towards the end of Q3 in the run up to finalising budgets for 2012.

There has been a lack of real movement in the more senior end of the market, with the majority of roles released being replacement headcount for ongoing programmes of work. Those that did come to market at this level were seeking very specific experience and skill sets and a number of recruitment processes for key hires have yet to be concluded.

This is forecast to change come Q4 as any new programmes that are signed off will almost certainly require external skills. A predicted rise in the need for compliance experts is evident following on from tightening regulations.

## Databases

### SQL Server

Although initially, it appears that overall average salaries in this market have decreased year on year, this is actually reflective on the fact that a much greater number amount of junior roles have been released which has skewed the overall figures. This increase in junior level roles appears to be testament to the perceived cost effectiveness of the SQL Server database and its increased uptake by many of the smaller financial houses who have been moving away from more expensive platforms and putting their trust in the SQL Server stack which has come on leaps and bounds in recent years. Nearly 75% of jobs have been released as permanent hires suggesting that firms are looking to invest in the long-term. This trend can also be attributed to the fact that many organisations are seeking to reduce expenditure on salaries for senior level hires and are prepared to hire at the junior end and focus on up-skilling and promoting employees at this level.



## Oracle

IT professionals with experience in the Oracle Technology stack have found the market to be steady and the balance of permanent and contract roles released is consistent with most organisations who are hiring in this space seeking replacement headcount only. There is a good pool of available talent at the mid to senior end in this space but junior level candidates are proving more difficult to secure due to the lack of talent in the UK at this end of the market.

There has been some slight increase in salary bandings at this level which appears to be driven by the lack of junior talent and to fill the gaps in their teams organisations have hired experienced professionals and are paying a salary premium to do so.

## Sybase

There is not a lot of movement in this space and organisations hiring are seeking to replace only. There is a solid pool of available talent however all are at the senior end and command high salaries so salary brackets for Sybase continues to outstrip that of both SQL Server and Oracle. The contract market has witnessed more activity in this area as some financial houses hire on an interim basis to support their migration to newer platforms.

## Infrastructure

The IT infrastructure market as a whole witnessed very few new permanent roles released throughout June, July and August and those that did come to market found that they had a limited pool of talent to consider. The exception to this, as it has been throughout 2011, was in the information security market which remained buoyant.

Investment banks and finance houses hiring across IT infrastructure demanded a strong record of specific technical and business related skills and high calibre candidates were difficult to secure. Such was the demand for top talent that many individuals left their existing roles before actually commencing their search for a new role, highlighting their confidence in the demand for their skill sets.

Due to the lack of availability of top talent, we saw candidates achieving multiple offers and as a result an increase in higher base salaries, due to the demand for the best candidates outweighing their availability. This was seen in particular at the AVP/AD level and can be contributed to the reduced Graduate/Analyst intake in 2008/2009 due to the economic events at that particular time.

We expect a positive outlook in the number of positions available in the next few months, in particular in the information security and junior level support markets. We anticipate this to stimulate the candidate market through September and early October, before slowing down mid-Q4 for the inevitable wait for bonuses.

### Contact us:

If you would like to discuss this report or learn more about how our dedicated Banking Technology division can help you with your recruitment needs, please contact us via one of the methods below:

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