



MIQ Monthly

April 2023

Foreword



We've experienced a lot to start the year; from large job cuts within 'big tech' to significant inflation and the first bank failures since 2008 with Silicon Valley Bank and Credit Suisse. We've also witnessed the early impact of consumer grade AI on productivity with the adoption of apps like Chat GPT.

You'd be forgiven for assuming that these major events would have a material impact on the labour market. However, demand within search and recruitment has remained very robust with vacancies in the UK 328,000 above pre-pandemic levels illustrating there is still a clear demand for talent which is not currently matched by supply.

Rebounds in economic and investment confidence has led to positive change in both permanent and contingent hiring intentions with short-term contingent, or contract hiring, seeing a 4% increase over a 3 month period according to The Recruitment and Employment Confederation.

What do I think this will all this mean?

Importantly, the government announced it no longer expects a recession, the IMF have predicted interest rates will fall towards pre-pandemic levels later this year, and inflation is beginning to come under control. I believe these improved economic conditions will provide increased confidence and will drive hiring within our technology and change markets whilst our risk and compliance businesses will benefit from increased regulatory scrutiny on banking and financial services.

Businesses who are decisive and act first will attract the best talent and ultimately steal a march on competition. It will also be interesting to see how well 'big tech' organisations, that have made significant lay-off's, are able to re-engage the talent communities in order to grow.

But what do you think? Please do have a read through our report, I would be delighted to hear your thoughts.



Greg Coleshill
COO, InterQuest Group



Meet Our Experts



Rob Sugden,
Managing Director, ECOM

Rob is ECOMs Managing Director for Manchester. He leads our teams across the North & Midlands operating in Digital Tech, UX & Design, Product & Project and Marketing & eCommerce. He's had over 15 years of recruitment experience in Manchester, building an extensive network.



Michelle Khan,
Director, InterQuest Group

Michelle is the Director of InterQuest's Risk, Regulation and Compliance practice. Michelle has spent the last 15 years investing in her reputation within risk and compliance in financial services.



Hiren Vekaria
Director, ECOM

As Director for the Technical Team at ECOM, Hiren manages the contract recruitment for a range of Software, E-commerce, FinTech & Digital companies and supply them with exceptional candidates as well as managing a team of consultants.



Greg Coleshill,
COO, InterQuest Group

Greg is the Chief Operating Officer of InterQuest Group's specialist staffing businesses. He has spent over 15 years with InterQuest building a strong reputation with banks, financial services, and fintech clients.



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National Employment Outlook

Job vacancy levels are higher than pre-pandemic



We are seeing **renewed demand** for **non-permanent talent**.
Businesses still have large amounts of work to complete
however are reluctant to hire permanently due to continued
macro economic uncertainty.



Greg Coleshill
COO, InterQuest Group

Employment outlook



Economic and investment confidence **rebounds**

+16%

Confidence in making hiring and investment decisions:

Perm recruitment intentions

Short-term: **+3%**

Medium-term: **+2%**

Contingent recruitment intentions

Short-term: **+4%**

Medium-term: **+2%**



Opportunities soar post-pandemic

328,000



The number of payrolled employees in the UK is increasing and vacancies are still 328,000 above pre-pandemic levels.



Indeed job posting levels

Job posting levels on Indeed UK are higher than pre-pandemic

Overall, hiring demand remains high at **26.39%** above pre-pandemic levels.



+26%

Source: Indeed UK *Indeed re-released their Job Postings Tracker as the Job Postings Index. The level (0 on the legacy tracker) is now set to 100 on February 1, 2020.

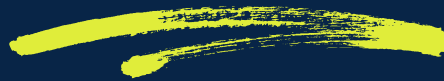


Financial Services Labour Market

Hiring demand strengthens amid market turbulence



We are seeing unprecedented times in the financial services market following the collapse of SVB and Credit Suisse's acquisition by UBS. However, similar to 2008, I believe these failures will drive a **renewed focus** on risk management and compliance skills. Companies will look to increase the level and **quality** of their talent in order to ensure they are robust and viable.



Michelle Khan
Director, ECOM



Financial Services job posting levels



Demand is still **fierce** for FS talent



Hiring demand in both Banking & Finance and Insurance is relatively stable and remains at significantly higher level than pre-pandemic.

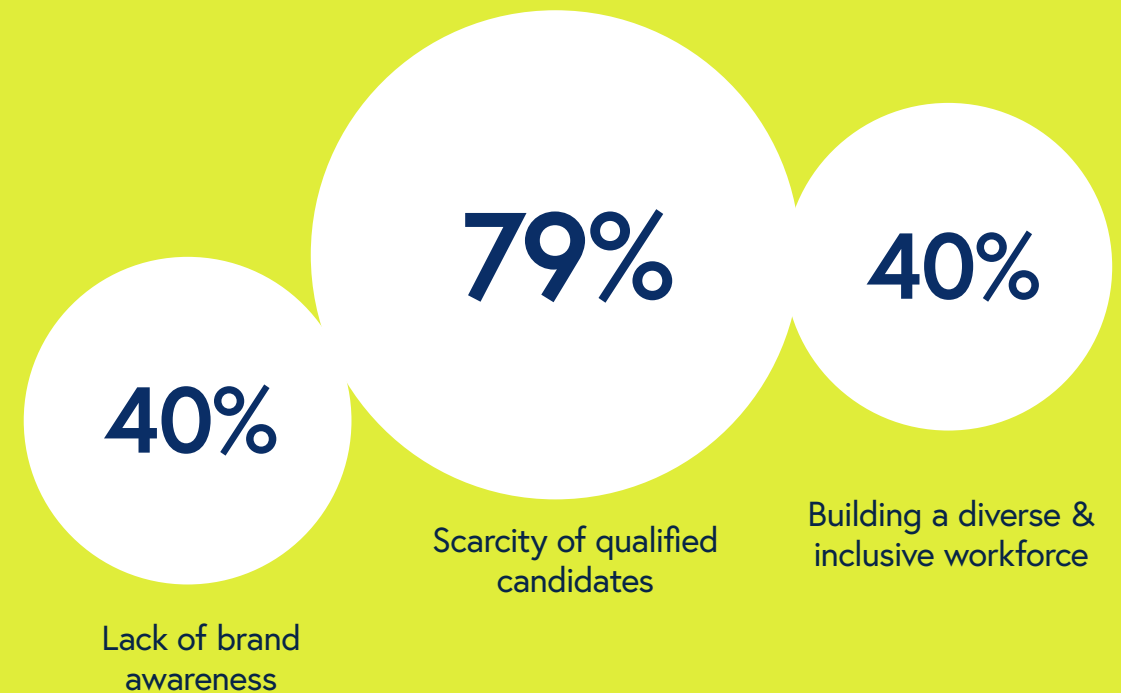
Source: Indeed UK *Indeed re-released their Job Postings Tracker as the Job Postings Index.
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Financial Services outlook

Despite market turmoil, the outlook for 2023 is **mostly positive** with **42%** expecting increased hiring.

Candidate scarcity remains the top attraction issue with many finance firms also suffering from a lack of brand awareness





Navigating the banking storm

Due to the collapse at SVB and Credit Suisse, job losses are possible but not within risk management. We are likely to see continued demand as the failures will increase regulatory scrutiny.



Will we see job cuts reminiscent of 2008?
I'm not sure. I do expect **increased demand in risk, compliance, and regulatory positions** as banks try to get their houses in order and protect against market shifts and regulatory challenges.

Greg Coleshill
COO, InterQuest Group



Compliance & legal talent shortage in 2023

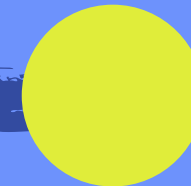
Government scrutiny of the **crypto** market is increasing, despite there already being a compliance/legal talent shortage in the market.

In 2022 there was -21% decrease in compliance/legal applications. In 2023, the gap between talent demand and supply is expected to increase further after FTX's bankruptcy.



-21%

Decrease in compliance / legal application





Tech Labour Market

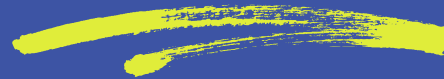
Tech layoffs haven't eased access for specialist talent



Despite big tech companies implementing redundancies or hiring freezes, there are new and exciting businesses that continue to **experience growth and investment.**

These businesses have managed to avoid overleveraging in the past two years and are still expanding today.

Instead of laying off employees, **now is an opportune time** to recruit talent from competitors.

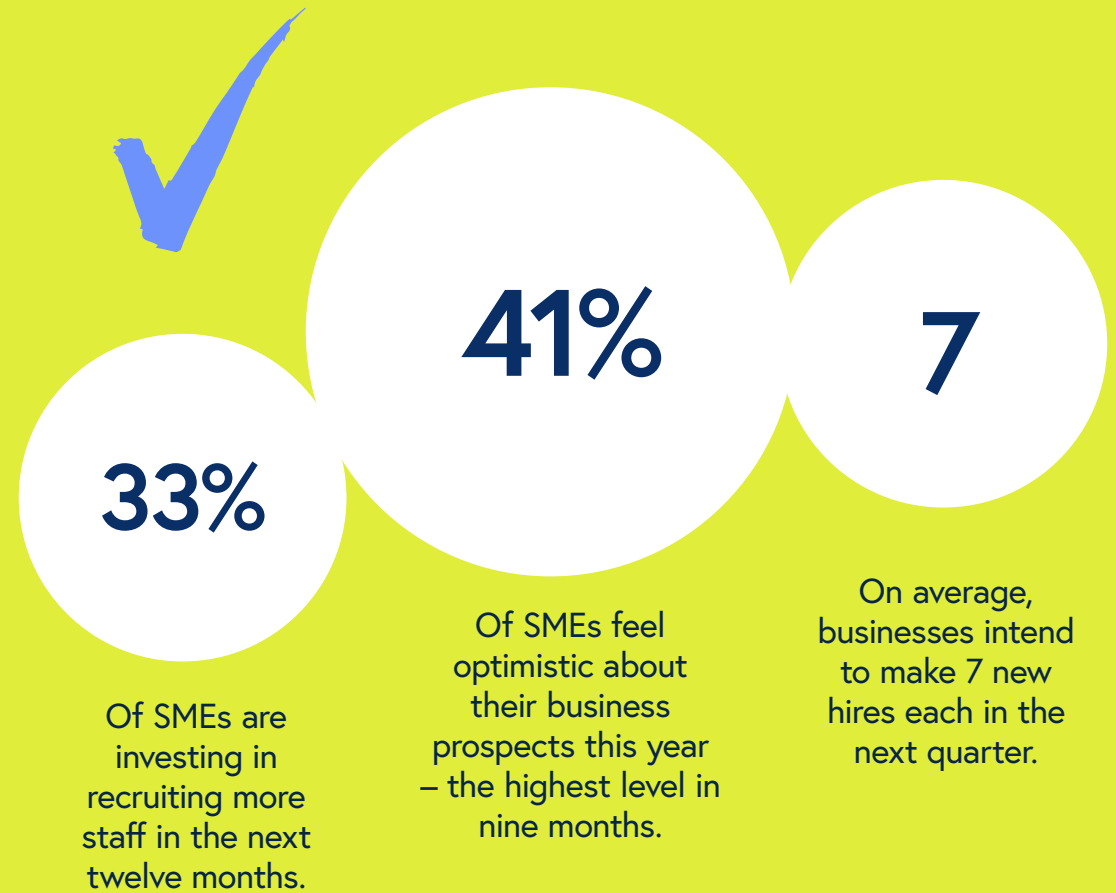


Rob Sugden,
Managing Director, ECOM



Tech layoffs – an opportunity for SMEs

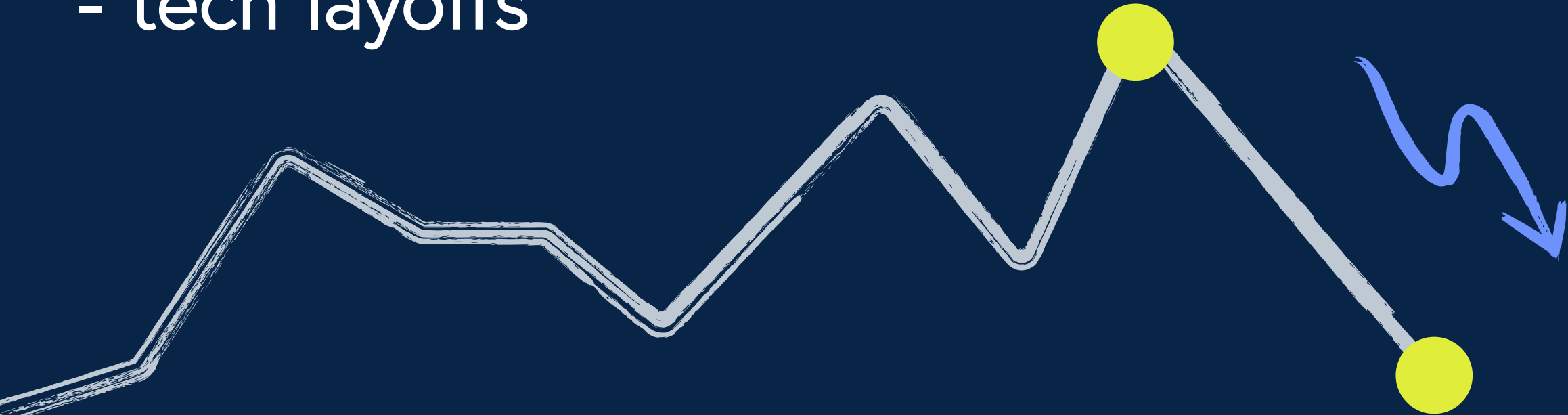
New and exciting businesses are still growing, **now is an opportune time** to recruit talent from competitors.





The hard truths - tech layoffs

84,714
layoffs, Jan 2023



Tech layoffs have slowed in
March from the peak in Jan 2023

31,603
layoffs, March 2023



Tech layoffs – what companies still get wrong

1% = 31%

Layoffs can be short-sighted and can **destroy trust**

One study found that a layoff affecting 1% of the workforce led to a 31% increase in the rate of voluntary turnover.



Tech job posting levels

Demand is fierce for tech and most talent is passive.

There has been an up-tick in mid-March. **Software development** talent is **scarce** and requires head-hunting, 79% of developers are not actively looking for a new job.

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79%

of developers are not actively looking for a new job.

Tech recruitment outlook



Even though we have seen many tech firms laying off employees, **56%** still expect **increased** hiring levels in 2023.



Hiring in 2023

How to navigate hiring challenges amid volatility



While **redundancies** within "Big Tech" **are rife**, and a lot of candidates are on the market, those who are being made redundant are not the ones that are going to struggle to find new jobs. Companies are still working in a market where **skilled hires are difficult to find**, which is where **passive candidates are the key** to making permanent hires and where recruitment partners will continue to be key in enticing talent.



Hiren Vekaria
Director, ECOM



CEOs can't sleep



Fragile workforces keep CEOs up at night. Leaders are primarily focused on attracting and retaining talent.

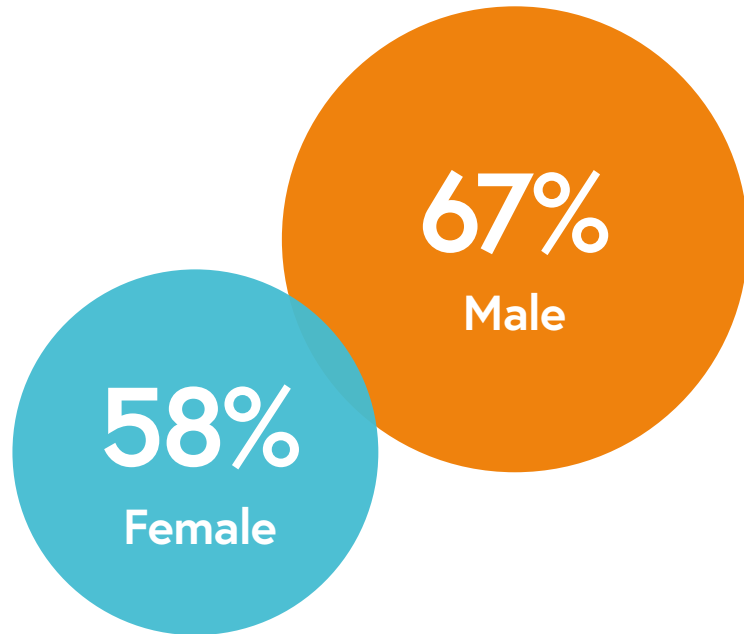
The top 3 CEO challenges are as follows:

Attracting and retaining top talent **59%**

Developing the next generation of leaders **50%**

Maintaining an engaged workforce. **45%**

When people feel valued, they thrive.



63%

Of employees say that they are thriving in their current role, with men at 67% compared to women at 58%.



Specialist talent shortage

Businesses are increasingly finding it difficult to hire specialist talent



79%

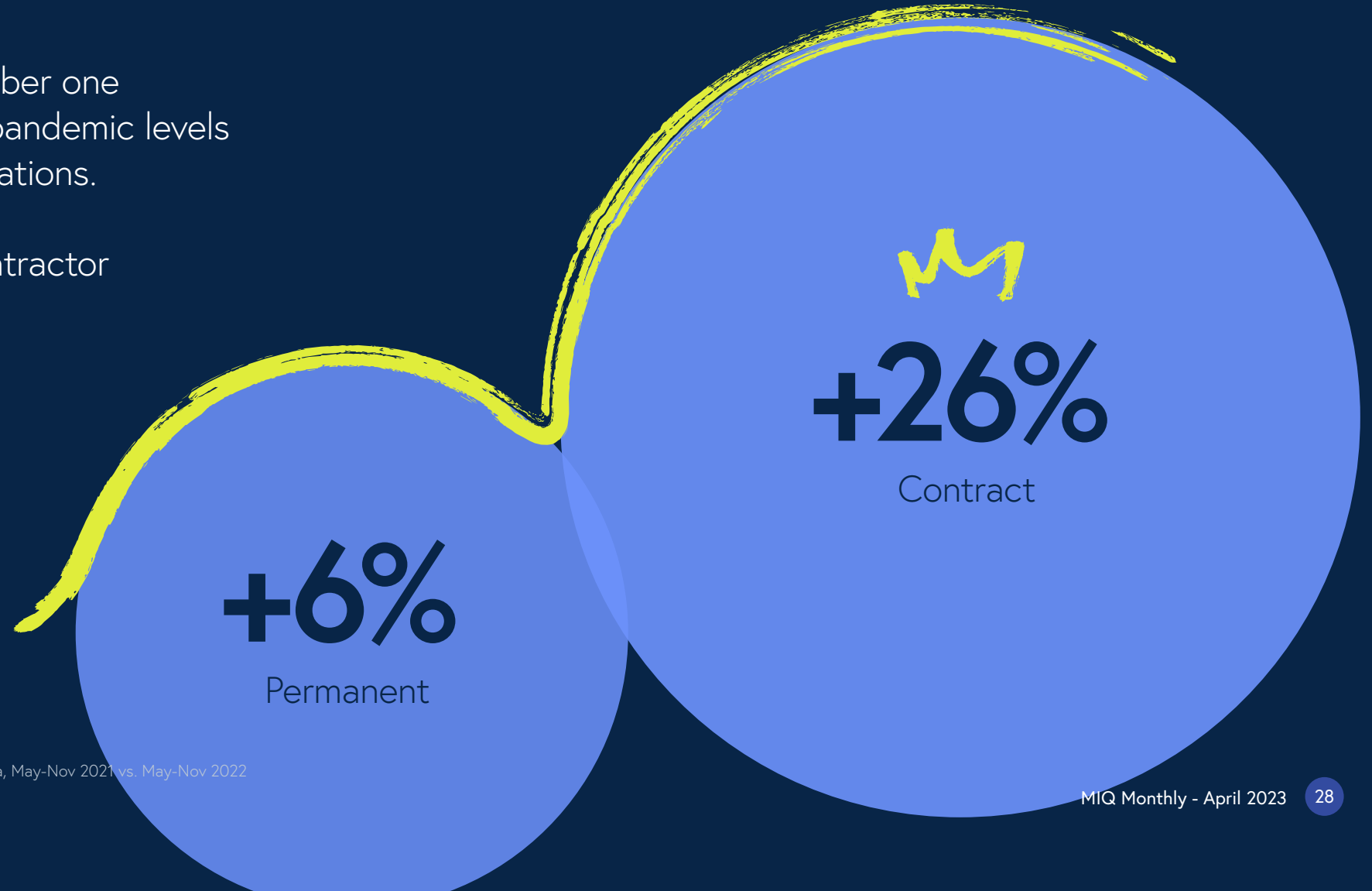
Predict skills-first hiring will be a priority in the next 18 months.

Flexibility is key for employers



Candidate scarcity is the number one challenge, rising back to pre-pandemic levels and **affecting 68%** of organisations.

The share of job posts for contractor roles increased (YoY):

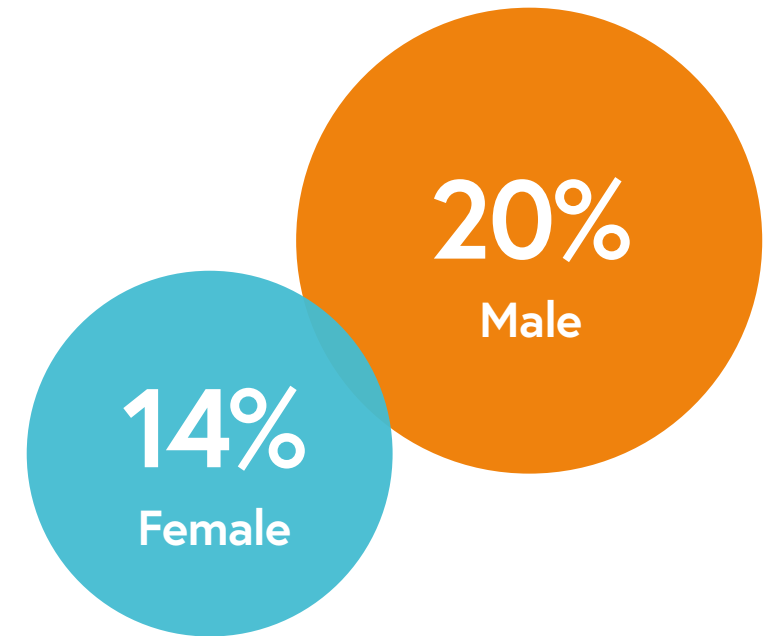


Candidate experience

Great candidates can be poached with a better offer - especially while they retain the upper hand.

51%

Most candidates (51%) think only two rounds of interviews are necessary.



Of male candidates and 14% of female candidates would remove themselves from consideration due to too many interviews



Money talks.

People may dream of a steady job with a good work-life balance for the long term, but they still look at financials first.

The top deal breakers for candidates are as follows:

Financial compensation **21%**

Work-life balance **19%**

Job security **15%**



Lowballing candidates won't fly.

64%

Of recruiting leaders predict that the future of recruiting will be more favourable to both candidates and employees (as opposed to employers) over the next five years.

Businesses cannot go back to the pre-pandemic ways of lowballing candidates.



1/5

1 in 5 candidates **will hurt your brand** if you don't follow up.

1 in 5 candidates who didn't hear back from a company after an interview took a negative action against the company. Including declining to recommend it to others or leaving a negative review.

Faster response time was ranked as the top way for companies to improve the candidate experience, cited by 80% of respondents.



If you're not selling to candidates from the first point of contact to final interview and offer, you will lose them!

The market is still dictating those **in-demand skillsets**. They are **hard to find** and you will need to pay market rates if not more to secure the ideal candidate. **Flexible working environments** are still at the top of most peoples expectations when looking for a new role and highlighting this from the outset and condensing the process to 2 stages and moving quickly is imperative.



Hiren Vekaria
Director, ECOM





The insights in this report are just the start

If you would like to book a free workshop for more tailored insights on your organisation and talent strategy, please click the link below



Click here to **book your free workshop**





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