efinancialcareers

whitepaper

June 2014

Career satisfaction and retention

Finance professionals in 2014: Career driven, loyalists or opportunists?

Career satisfaction and retention

How engaged are finance professionals and what are they dreaming of?

Keeping employees satisfied and engaged in the workplace is one of the most pressing concerns of employers worldwide, and with good reason. Keeping workers long-term is important from a financial, cultural and branding perspective. Yet, a recent eFinancialCareers survey found that very few finance professionals are committed to their employer long-term and most are poised to jump ship.

eFinancialCareers surveyed nearly 9,000 finance professionals globally in the UK, the US, Singapore, Hong Kong, Australia, France, Germany and the Middle East. Respondents were asked about their career satisfaction and aspirations, and where they would want to work, if given the choice, and why.

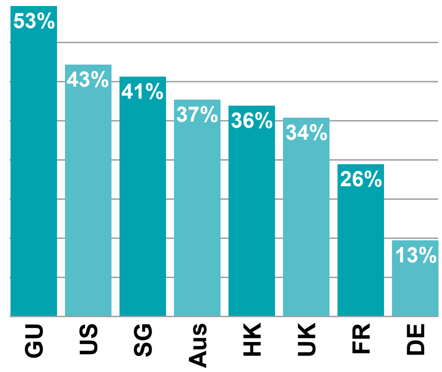
Most finance professionals say that their current employer is an enjoyable place to work, yet the message is clear: this population is fluid, and ready to jump on the next opportunity that will bring better career prospects or increased compensation. Of those surveyed globally, a mere 11% of respondents said they are not looking for a new position, and the remaining 89% are either actively searching for a new job or are open to new opportunities. Finance professionals are poised to take flight – a reality employers cannot afford to ignore.

Finance workers are happier and less restless than you think

In these days of layoffs and lower pay, it's become standard to think of financial services employees as being unhappy at work. The survey suggests this isn't so. In the majority of cases, finance workers are perfectly happy where they are.

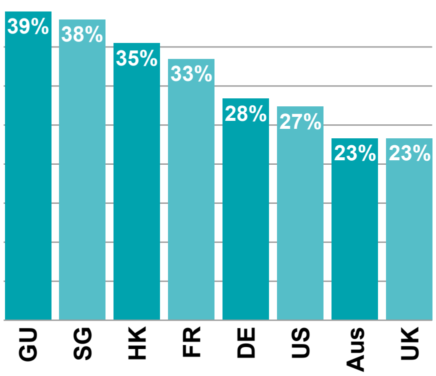
Only 34% of finance professionals in London and 36% in Hong Kong told us they're actively looking for new jobs now. This rises to a high of 53% in the Middle East, 43% in New York and 41% in Singapore. Only in the Middle East are more than half of all finance employees actively looking to change position.

Percentage of people actively looking to change job, by country



Which of the following best describes your current employment situation?

Percentage of people who are unhappy in their jobs, by country

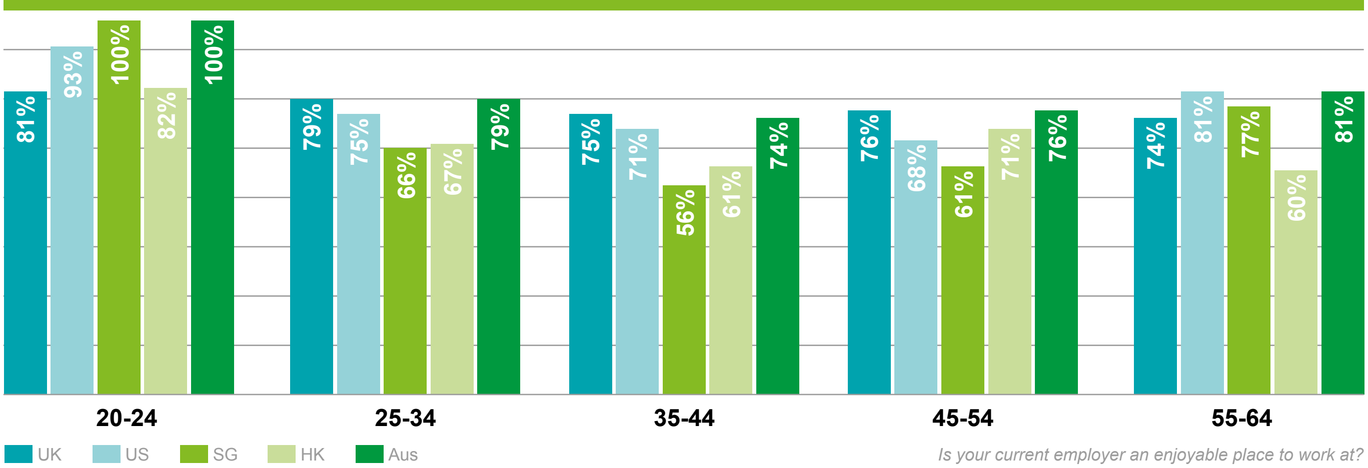


Is your current employer an enjoyable place to work at?

Actively attempting to switch jobs is correlated with job dissatisfaction. In the Middle East and Singapore, 39% and 38% of employees respectively said they were unhappy at their current employer. Both locations are home to a large number of repetitive back office finance roles.

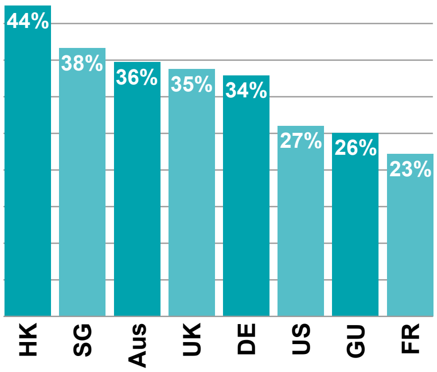
The happiest bankers globally are differentiated by age rather than location. Junior bankers everywhere are most satisfied in their jobs. 20-24 year olds in Singapore and Australia said they were unilaterally happy in their current role, compared to 93% of the comparable age cohort in the US, and 81% in the UK.

Percentage of people who are happy in their jobs, by country



Is your current employer an enjoyable place to work at?

Percentage of respondents who change jobs every 2-3 years, by country



On average, how often have you changed employers?

Dissatisfaction increases in the mid-ranks, before falling again as financial services professionals become more senior.

Overall, the high levels of contentment among bankers today may be traced to efforts banks have made to retain staff. Andrew Pullman, a former head of HR at Dresdner Bank and founder of HR consultancy firm People Risk Solutions, says banks have focused heavily on retention since the financial crisis. Investment banks are spending more money on training and development, ensuring their existing employees can acquire a broader range of skills and that they're really buying into the values and culture of the organization," Pullman says.

However, financial services workers are nothing if not opportunistic. While most respondents said they aren't actively looking to leave their current employer, a very high proportion (up to 93% in the Middle East, 90% in Australia, 91% in France, and 88% in the US, for example), said they might be tempted to change jobs if the right opportunity arises.

Financial services professionals also take an active approach to managing their careers. The largest proportion of respondents in Hong Kong (44%), Singapore (38%), the UK (35%) and Germany (34%) said they changed jobs every two to three years, while in the US, Middle East and France, switching employers every four to five years was most common.

Why bankers quit their jobs

Despite the rhetoric, bankers don't leave their jobs because of the long hours and the 'disappointing pay'. They leave due to frustrations over career progression.

Globally, the eFinancialCareers survey suggests that just 3% of financial services professionals who make the decision to change employers do so due to long working hours. By comparison, 24% of respondents pointed to a lack of career progression as the main motivator for eyeing a new job.

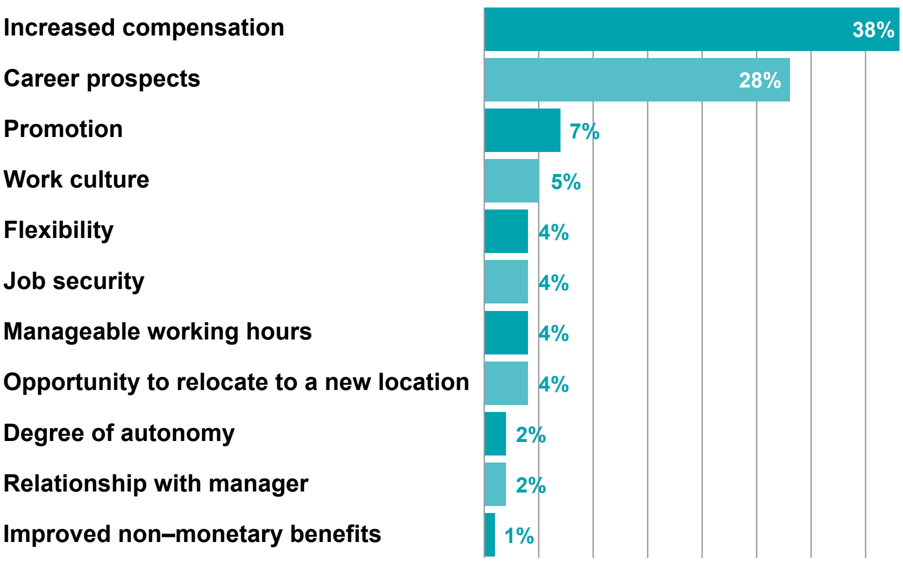
"We've heard time and again that a key issue in banking is the fairly hierarchical culture model and the lock-step promotion approach based on years at the bank more than based on pure merit," said Adam Zoia, CEO of Glocap, a Wall Street search firm.

Why bankers quit their jobs, global	
Lack of career progression	24%
Compensation	16%
Relationship with line manager	8%
Lack of recognition and rewards	7%
Job insecurity	7%
Internal politics	5%
Personal circumstances	5%
Current employer underperforming within the industry	4%
More work for less money	4%
The people I work with	3%
Long working hours	3%
Lack of autonomy	1%
Lack of flexibility (i.e. flexible working hours, working from home)	1%
Non–monetary benefits	1%
Other	11%

What triggered your decision to change employer?

Please note total may not add up to 100 due to rounding

Factors critical to 'opportunistic' passive bankers in a new role



What factors would be critical to you in a new role?
Please note total may not add up to 100 due to rounding

Using pay to attract finance professionals. How high must you go?

So you thought bankers switch jobs for more pay? It's not as simple as that. Unexpectedly, a comparatively low 16% of bankers who are actively looking for new jobs cited dissatisfaction with pay as their main reason for putting their resumes out on the market.

However, pay is a very important motivator for the opportunistic bankers who aren't really looking but might just be swayed into moving if an opportunity arises.

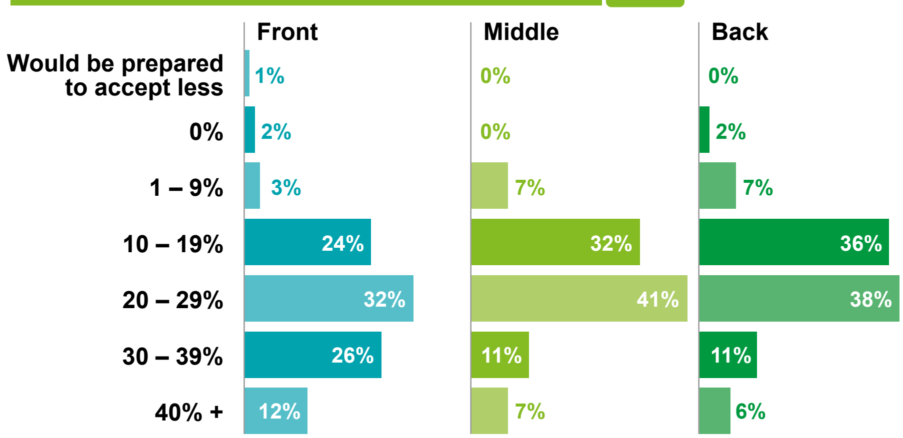
The most pay-hungry region was the US, where both active and passive job seekers identified compensation as the most important factor prompting them to look for new positions.

What kind of pay rise do job-switching bankers expect? Our survey suggests that anything from a 20%-29% uplift is typical.

Globally, expectations of a pay rise in excess of 30% is most common in front office banking jobs.

This is especially the case in key financial centers. Forty-four percent of respondents in the City of London and 33% of front office respondents on Wall Street expect a 30-39% increase in compensation if they switch jobs.

Pay increase expectations for a new position, by area of business, global



If you were to secure a new position, what is the minimum base salary increase that you would accept?
Please note total may not add up to 100 due to rounding

Persuading bankers to switch jobs within the same firm

While many financial professionals are interested in transferring to a new position within their current company, only in Singapore do more than half (61%) of survey respondents say that their firm has an internal mobility program in place to facilitate such a move. In the US and Australia, barely over a third of respondents were aware of internal mobility programs, suggesting finance employers need to do more to publicize them internally.

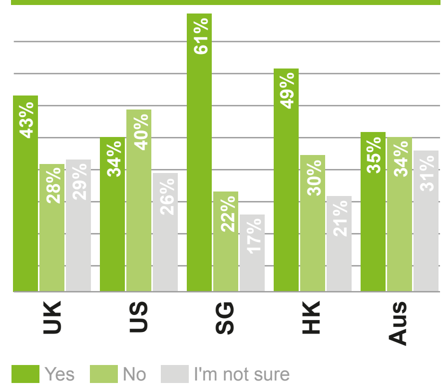
Keith Pogson, EY managing partner for banking and capital markets, Asia Pacific, says cost cutting and compliance are hampering efforts to popularize internal mobility programs in the financial services industry. "An increase in regulation has acted as a brake on mobility as individuals may require approval to be located in a particular market."

Employees' awareness of mobility programs is higher in the back and middle office than the front office. In the latter category, for example, a comparatively high proportion of respondents – UK (59%), US (48%), Singapore (74%), Hong Kong (51%) and Australia (44%) – say their firm has a program in place.

Talent shortages are often most acute in finance, regulatory and risk roles, so banks are more inclined to encourage their mid-office staff to change functions to meet business needs. "In positions like audit or compliance, an internal shift is a relatively risk-free move," says Craig Brewer, a director at recruiters Five Ten Group. "If you're in sales or client-relationship management, however, particularly if you want to move country, the prospect of gaining an internal move is far tougher."

Financial services professionals are keen to move internally. When asked whether they would consider another position with their current employers, less than a third of respondents across all five countries said they would rule out the possibility.

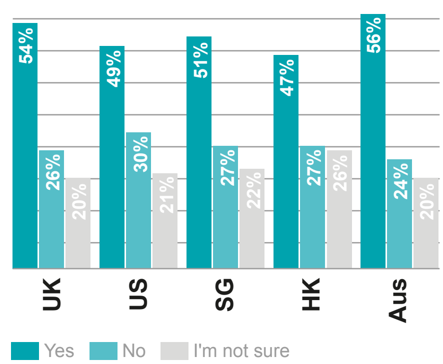
Percentage of finance professionals aware of internal mobility program at their current employer



To your knowledge, does your company have an internal mobility program?

Please note total may not add up to 100 due to rounding

Would you consider another position within your current employer?



Would you consider another position within your current employer?

Please note total may not add up to 100 due to rounding

Stopping bank staff from burning out

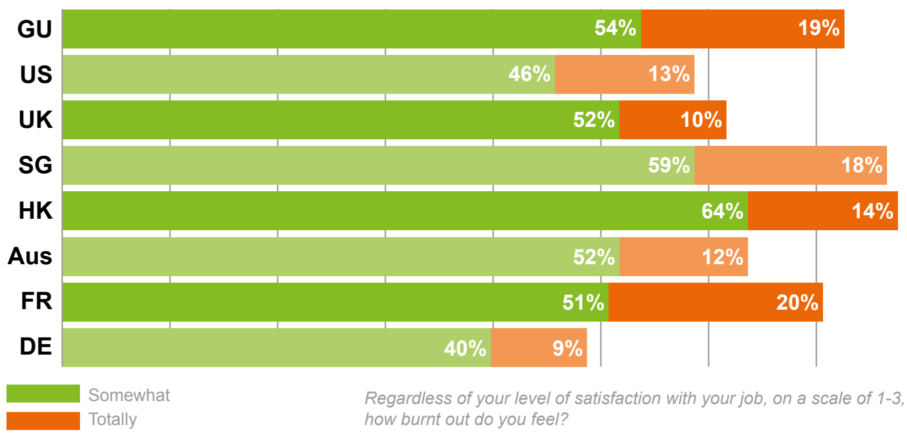
As banks seek to build a more sustainable model of human capital management, greater focus is being placed upon resilience and its antithesis – burnout.

Our survey revealed that severe burnout is less common amongst banking professionals than commonly thought. Typically, less than 15% of banking staff classify themselves as 'totally burnt-out'. However, a larger proportion say they're either 'somewhat' or 'totally burnt-out'. In the UK and the US, for example, between 60% and 65% of bankers aged between 25 and 44 experience some level of burnout. In the Middle East this rises to 73%-77%. And in Hong Kong up to 80% of mid-career bankers are burnt-out to some degree.

Burnout typically peaks between the ages of 25 and 44. In some countries (for example, the UK and Singapore), it then falls back among bankers who remain in the industry. In others (the US and Hong Kong) burnout remains high through to the mid-50s.

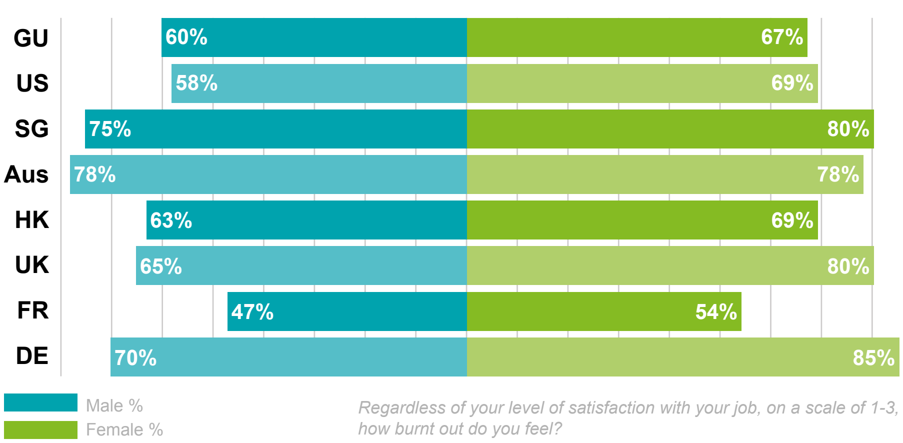
Notably, the Middle East, Hong Kong and Singapore have some of the highest self-reported burnout levels among bankers globally. London and New York look relaxed by comparison, as does Frankfurt.

Percentage of totally and partially burnt-out bankers, by country



One UAE-based banker offers a perspective on the high levels of burnout in Dubai: "People don't work long hours here, but there's an awful lot of heavy-duty partying," he tells us. "It doesn't help that people end up making far less money than they'd expected – it's very easy to earn and spend a lot here and people can get frustrated at how difficult it can be to do business."

Percentage of total burnt-out finance professionals by gender, by country



Everywhere, we found that female bankers are more burnt-out than their male counterparts. In countries like the US and France, the discrepancy in burnout levels by gender is startling: 20% of female bankers in the US say they're totally burnt-out compared to just 12% of men.

"Women tend to be more conscientious and eager to please than men," says Sarah Sparks, an executive coach and former Goldman Sachs employee. "Most of the time you can get 80% of the work done with 20% of the effort. Men tend to stick to that 80%, while women go the extra mile."

The back office is no protection from burnout, nor are European banks

Contrary to perception, our research suggests that people who work in so-called middle and back office jobs like risk, compliance and operations are generally as likely to be burnt-out as their counterparts in front office banking jobs like M&A, sales, trading and research. On Wall Street, levels of total burnout are significantly higher in the back office than the front office.

"Banks are keen to be seen as being proactive in the area of regulation, and there is a strain on their middle-office workforce to meet deadlines," says Holly Hatton at Michael Page in Singapore.

Employees at European banks have similarly high levels of self-reported burnout to employees at hard-driving US firms. This is particularly the case on Wall Street, where 77% of bankers at European (but non-UK) firms claim to be either totally or partially burnt-out, compared to just 66% at homegrown US banks.

Categories of organization where burnout is most extreme, by country

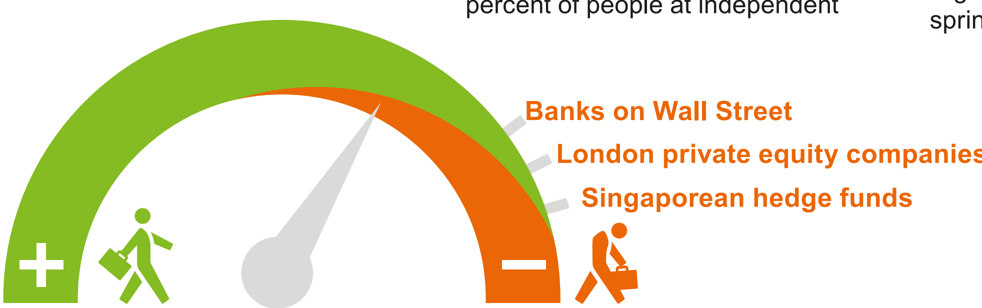
Regardless of your level of satisfaction with your job, on a scale of 1-3, how burnt out do you feel?

The most burnt-out employees are at Singaporean hedge funds, London private equity companies, and banks on Wall Street

Globally, the worst incidence of 'total burnout' is in Singaporean hedge funds, where 33% of respondents report feeling totally burnt-out.

In London, it is private equity funds that account for the highest percentage of somewhat and very stressed people. Seventy percent of London PE staff fall into this category. "Private equity can be incredibly stressful when you're working for a fund that's losing money," says Gail McManus at Private Equity Recruitment (PER).

On Wall Street, it's independent brokers and banks of all nationalities and boutiques that should be avoided by the burnout-wary. Sixty-nine percent of people at independent brokerage firms on Wall Street are either totally or partially burnt-out. Nineteen percent of Wall Street bankers are totally burnt-out, but staff working in M&A boutiques aren't far behind. "My life doesn't belong to be any more," one Wall Street analyst told author Kevin Roose in his book, 'Young Money'. Roose points out that young Wall Streeters live at the mercy of all those above them in the hierarchy: "An MD wants a bar graph instead of a line graph on page 6 of a pitchbook and it's 3 a.m.? A good analyst will wake up and spring into action."



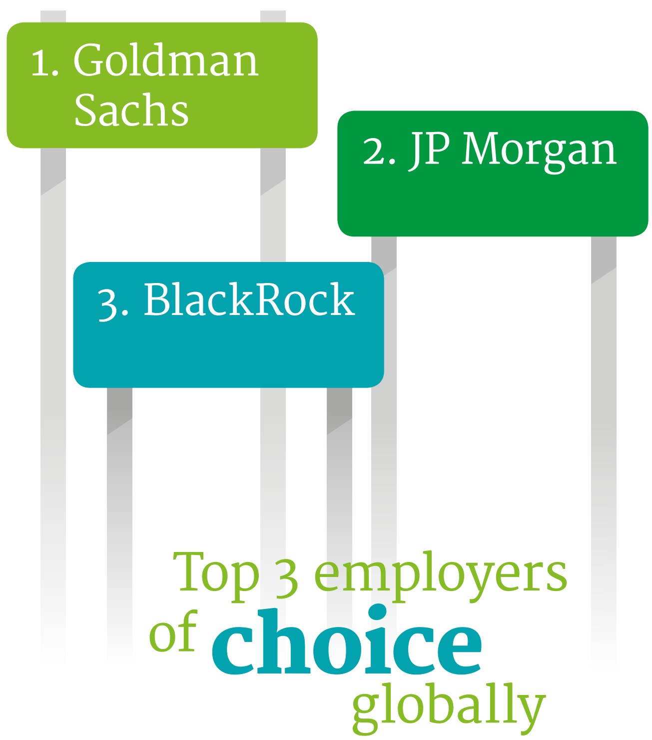
US titans dominate ideal employer rankings

Wall Street banks may burnout a disproportionate number of their employees, but this doesn't stop people wanting to work for them.

Among survey respondents, large US institutions - Goldman Sachs, JP Morgan and BlackRock - topped the ranking of desirable firms to work for.

Goldman Sachs and JP Morgan are among the few investment banks not to announce significant headcount reductions in recent years, while also keeping their compensation structures weighted towards cash and away from deferred stock options – unlike their European rivals. BlackRock, meanwhile, is by far the largest asset manager in the world, with over $4.4 trillion in assets under management, and has been consistently increasing its headcount over the past two years. The perceived stability of working for these organizations is clearly appealing to financial services professionals.

Top firms people most want to join, globally
1. Goldman Sachs
2. JP Morgan
3. BlackRock
4. HSBC
5. BNP Paribas
6. Deutsche Bank
7. McKinsey
8. UBS
9. Barclays
10. Citigroup



About eFinancialCareers

eFinancialCareers, a Dice Holdings Inc. service, is the world's leading financial services careers website, and the place to go for financial careers and talent.

eFinancialCareers provides finance professionals with the latest job opportunities, career information and invaluable industry insights they need to maximize their potential. The site connects them to roles within many of the world's most respected financial organizations

Through its recruitment solutions eFinancialCareers provides financial services recruiters a vital competitive edge by enabling them to source the highly qualified professionals they need to achieve their strategic ambitions - quickly and efficiently.

eFinancialCareers offers local websites in 19 markets across North America, Europe, Asia-Pacific, and the financial centers of the Middle East.