REGULATORY & COMPLIANCE PROJECTS THE MAIN DRIVER OF DEMAND

In line with our commitment to keep professionals working in the Project & Change discipline up to date with employment and recruitment trends, in the last quarter of 2014 Morgan McKinley conducted an international survey of its consultants in six markets. Globally there is a huge demand for professionals who have knowledge of the regulatory and compliance environment combined with a qualification in accounting and experience with methodologies such as Lean and Six Sigma. In most regions, organisations are trying to keep a lid on FTE recruitment budgets and this is stimulating very buoyant contract and interim hire markets.

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- Senior and talented P&C professionals in Hong Kong are often reluctant to move if they are in a steady job.
- Hiring budgets are increasing in Ireland, where the focus is on senior appointments.
- There is a shortage of local talent in Singapore and in the UAE.
- In the UAE, however, the high cost of living is often a deterrent to overseas candidates and employers often demand regional experience.
- The contract market is especially buoyant in the UK, where employers want evidence of career stability before making permanent appointments.

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In Australia we are seeing an ongoing demand for project professionals as organisations look to keep up with the rapid pace of change and evolve their business models to remain competitive. This has meant that the contractor market has remained buoyant, with demand for specialist skill sets across all key role types. New permanent roles are being created to lead innovation and digital execution. We are seeing high levels of demand around projects such as digital transformation, productivity and process improvement, regulatory and compliance, as well as service revolution initiatives to improve the customer experience.

“With the focus on more mainstream Agile delivery my advice to Project & Change professionals is to get experience in this field. A professional qualification or training accreditation is great but getting hands-on experience on an Agile project is most beneficial. We have noticed that while many organisations prefer to promote staff internally, they will often buy in top talent with Agile experience to help educate other permanent members of staff,” comments Louise Langridge, Managing Director at Morgan McKinley Australia.

Agile coaches currently command premium rates. There may be a skills shortage looming in certain niche areas. As the number of organisations introducing Lean and Six Sigma initiatives is increasing, this may be the greatest challenge faced by hiring organisations, as supply cannot keep up with demand. In this space we are looking to offshore sourcing strategies to complement the local talent pools.

AML3 is a major focus in Australia in the regulatory environment. There are fewer technical accounting projects than in the past, though there is a number of financial transformation programmes in progress focusing on streamlining and efficiencies.

Looking forward, we are already seeing investment going into digitalisation and customer experience transformation projects. This is appealing work for Project & Change professionals. Productivity and process continue to be a focus and Lean and Six Sigma, Agile and digital skills are at a premium.
 Generally speaking daily rates have not increased (and have in some cases reduced) in part due to the shift to fixed term contracts and permanent roles. We expect to see significant increases for project managers with Agile experience. The focus on permanent hiring may mean greater consideration is given to bonuses.
Project & Change professionals were largely unaffected during the global budget and hiring freezes in Hong Kong, to a large extent because of the overwhelming increase in the number of compliance and regulatory change initiatives. However, one noticeable trend is that, more and more, companies are looking specifically for change specialists as opposed to pure project managers. Organisational change has been a further factor sustaining demand for Project & Change professionals. However, cost savings are depressing demand in some companies and they are looking at outsourcing or offshoring as options, or looking more closely at their internal resources before releasing hiring mandates.

Hiring organisations are most interested in recruiting individuals with qualifications and certified training in skills such as Prince 2, Six Sigma and Lean; but they will give preference to candidates who can demonstrate solid project experience in these areas. Organisational change and compliance and regulatory projects are currently the main drivers of demand.

Things have moved on in this market and Peijie Su, Consultant at Morgan McKinley’s Hong Office, comments: “Now is the time for Project & Change professionals to take a long, hard look at their CV and ensure that it is adapted to the ever-changing market for this discipline. They need to make change management experience stand out more clearly – many focus their CVs too strongly on technology. This is understandable, as this was previously the driving factor in recruitment decisions. But today, what matters is business process re-engineering and change management experience.” In addition, candidates should stress any relevant industry knowledge.

It is very difficult for Project & Change professionals to move between sectors in Hong Kong and in general, hiring organisations will need to be more flexible in their approach.

“This is a very fluid market, skill sets are changing, and very often we see specifications that are too rigid and extensive,” says Su. For hiring organisations, it is getting increasingly difficult to attract senior and talented individuals as their salary expectations are high and they are reluctant to move if they currently have a satisfying, rewarding and stable position.

The contract market in Project & Change is stable and candidates looking to move ahead should perhaps be more open minded about contract roles, though they should ask the right questions. “Sometimes contract roles are created because of limits set on full-time headcount, which means they are likely to be converted to permanent roles. In other cases they are project-based and will be terminated when the project reaches its conclusion,” says Su.
We don’t expect major changes in pay scales but companies may need to offer above the market rate to entice top talent.
With the economy improving there is no doubt that the recruitment market is getting better for Project & Change professionals in Ireland, with budgets increasing as companies tackle organisational changes, implement new IT systems and address regulatory and compliance issues. “Transformation, customer experience and data management projects are the main growth areas at the moment,” says Jane Jeffreys, Financial Services Recruitment Consultant at Morgan McKinley.

However, and rather surprisingly, recruitment is currently focused at senior levels. “Many financial services organisations are seeking to acquire new talent. The ideal candidates combine relevant industry experience, an accounting qualification and a track record of delivering projects using methodologies such as Prince 2, Six Sigma and Lean Six Sigma,” says Jeffreys. “Project & Change professionals looking for a new role should focus on opportunities where their experience is most relevant.”

The contract and interim hiring market is particularly buoyant at the moment and we expect Project & Change professionals to become more proactive in seeking new employers.

“Focus on opportunities where your experience is most relevant.”

**HIRING FOCUSED AT SENIOR LEVELS**

Candidates with the relevant project experience will be able to command higher salaries over the next 12 months.
In Singapore there is lingering economic uncertainty, but there are sufficient compliance and regulatory projects to ensure that the demand for Project & Change professionals continues into 2015. Organisational changes such as restructuring and new IT implementations are also major contributors to demand. The supply of local talent is inadequate to meet this demand so many organisations are looking to the United Kingdom, mainland Europe, Australia and Mainland China to find suitable candidates.

“One interesting trend is that many positions are being filled based on the right personality or cultural fit to ensure that projects are delivered effectively. It is not enough to tick the boxes on qualifications and experience on previous projects,” says Eleanor Barry, Manager, Project and Change Management, Morgan McKinley Singapore.

Candidates applying for new roles should also know their “core value proposition” and outline the details very clearly in accordance with the project life cycle, highlighting specifically their individual contribution throughout. “There is a significant need for new skills gained for example on regulatory rollouts within specific areas of the bank, such as front or back office, so this needs to be crystal clear on CVs and should also be highlighted at interview,” advises Barry.

Her advice to hiring organisations is similar: “Employers often need to recruit new people but struggle to identify the core problem that needs to be solved. This can be an issue that lengthens the hiring process unnecessarily, as they end up interviewing candidates who are not the best fit,” she says.

The contract market is already buoyant in Singapore and is likely to pick up further in 2015, as companies need to address upcoming global regulatory changes while seeking approval for further full-time headcount.
We believe that contract rates will improve and we are already seeing this reflected in completion bonuses and other performance-related pay.
Salaries will need to increase.

The Project & Change recruitment market continues to be difficult on both sides because employers are often unable to recruit talent locally but are reluctant to take on candidates who do not have regional experience. Moreover, the cost of living in places like Dubai and Qatar, where 40 to 50% of an employee’s salary will be consumed by accommodation costs alone, makes a job in the UAE less attractive than in the past. Recruitment budgets are usually at best static and often declining, which means that many organisations will find it hard to entice talent to the UAE.

“Projects are being initiated in areas such as customer experience, regulatory and compliance and business transformation, but there is an inadequate talent supply,” comments Ebony Thomas, Manufacturing & Quality Specialist at Morgan McKinley’s Dubai office. “There has also been a significant increase in the number of quality-related Project & Change positions,” she adds.

HR departments are under a lot of pressure and will look internally to find ways to transfer, rotate and promote talent. If that does not work they will look to recruit externally, often through consultancies such as Accenture and Deloitte, who are very popular choices to help bring about organisational change. If they need to look further afIELD they will focus on recruiting talent from western countries, notably the UK, USA and Canada, though if Arabic is a requirement, they will look to other GCC countries. Employers prefer candidates with an MBA and experience in Lean and Six Sigma methodologies. Fluency in a second language is often an additional requirement.

“My advice to Project & Change professionals from abroad is to try and get some experience in the region on a contract basis before looking for a permanent move,” says Thomas.
SALARIES & BENEFITS

Salaries will need to rise because of the soaring cost of accommodation in the region. Some companies have already responded by increasing salaries or finding other ways to help their employees such as subsidised accommodation.
Our recent London Employment Monitor showed a spike in the number of people changing jobs compared to this time last year. Things are definitely picking up in Project & Change recruitment, with the contract market particularly buoyant. “Regulation is driving demand and a flexible workforce remains the preferred option, although some Tier 1 organisations are seeking to address the growing imbalance between contractors and permanent staff,” according to Hamish McCombie, Associate Director at Morgan McKinley’s London office.

Demand for Projects & Change professionals in general is being driven by compliance and regulatory issues and more specifically in areas such as the Basel Committee’s BCBS 239 on risk data aggregation and the application of 14 principles to improve bank reporting. Preference is given to candidates who combine a professional accounting qualification with experience in a methodology such as Prince 2, Six Sigma or Lean Sigma. Candidates with knowledge of IFRS (Co-Rep, Fin-Rep) are especially highly sought after.

One challenge for people seeking to make a move is that HR departments in many organisations are under the pressure of KPIs to recruit internally in order to save costs. This is something of a disincentive to talented candidates as hiring processes can be lengthy and often end in an internal placement. Nevertheless, we are optimistic that Project & Change professionals will become more confident and more proactive in seeking new employers as the economic outlook is positive.

“Employers increasingly prefer professionals whose CVs show some career stability, i.e. continuity on a project or with one organisation. Given that regulations are a top priority for most companies, a good grasp of the regulatory framework is critical to performing well at interview,” comments McCombie.

The tight lid on salaries makes it difficult to attract top talent into permanent roles. “In recent times permanent staff have been enticed into contracting because the returns are much higher,” says McCombie.
SALARIES & BENEFITS

Performance-related pay remained constant in 2014 and will probably remain constant in 2015. However, there is some upward pressure on daily rates for contractors.