

Scotland's finance sector at crossroads amid candidate crisis and rising salaries

A massive shortfall of candidates and pressure to significantly increase salaries and perks makes grim reading for financial services sector businesses in Scotland, according to a new report.

An exodus of international staff due to Brexit, Covid-related career changing and the climate crisis are the main factors which have caused huge employment gaps in certain sectors, leaving the industry at an "uncertain crossroads".

Now in its seventh year, Core-Asset Consulting's "[Industry Trends and Salary Guide](#)" is a forensic review of salary levels and also a gauge of market sentiment, activity and the themes that are impacting financial services across Scotland.

The guide reports that despite some of the most extreme market conditions in living memory, the Financial Services Asset Management Services industries have remained broadly resilient, with roles such as Business Analysts, Solutions Architects and Regulatory Risk in the highest demand.

However, with vacancies up 52% and applicants down 5% on the previous 12 months, this year's report highlights a growing staffing crisis across multiple sectors caused by the perfect storm of Brexit, increased remote working, the cutting of

intern and trainee programmes, and the reluctance of many to relocate for work.

The report found that candidates actively applying for roles was down 35%, while conversely recruiters are having to up the ante to source 57% more candidates than in 2020.

Betsy Williamson, the founder and MD of [Core-Asset](#), said that the latest edition of the annual report, which is eagerly anticipated across the sector, makes alarming reading for its audience.

She said: “With a predecessor as turbulent as 2020, it was clear that 2021 was going to be another year of unpredictable change within financial services, and the sector is now at an uncertain crossroads with huge hurdles to overcome.

“In contrast to the start of the coronavirus pandemic where many staff were fighting for their jobs, we are now seeing a massively candidate-buoyant market, driving increased pressure on employers to offer better salaries, more flexibility and competitive perks to attract and retain the best talent.

“The reduction in available labour is connected with the UK’s exit from the European Union and the exodus of overseas nationals returning to native soil – with more than 200,000 EU citizens leaving the UK during 2020.

“Additionally, thousands of workers placed on furlough at the height of the pandemic have since switched careers, leaving massive employment gaps in certain industries, while rising demand across sectors like Fintech and Environmental and Social Governance (ESG) has been driving salaries to unprecedented levels.”

The guide sets the stall for salary reviews in Scotland’s financial services sector which usually happen in March and April. Uniquely, all of the data is entirely Scottish and the report sets expectation for those who are awarding salaries,

allowing them to benchmark against competitor organisations.

The report also gauges market sentiment and activity, as well as highlighting the themes that are impacting financial services across Scotland. Major issues this year include staff shortages, ESG, Brexit and ethical investing.

The guide highlights ethical investment as an area of financial services that has grown exponentially in recent years, with the number of job listings for ESG analysts in Scotland increasing by 70% over the last two years – reflective of soaring global demand for socially responsible investment.



Betsy Williamson

Betsy Williamson added: “Nearly every big business has an ESG strategy and the major investment firms are promoting Socially Responsible Investment portfolios across mainstream media.

“ESG is no longer a box-ticking exercise where investment houses can take the path of least resistance, it is expected that it is now an integral part of the investment process, and this is reflected in the massive surge in employment opportunities in this field.

“Yet there is a shortage of candidates coming through to meet the demand for ESG-related roles. We need academic institutions in Scotland to catch up with trends and to encourage undergraduates to consider the benefits of a career in this field. Those working in and around the sector must also be encouraged to up-skill.”

Core-Asset Consulting is Scotland’s pre-eminent recruitment and headhunting agency dedicated to financial and professional services. Formed in 2005, it was born out of Betsy Williamson’s desire to take the best of her experience of large corporate recruiters, applying the focus on

infrastructure and training to a more sector-specialised business.

Based in Edinburgh, the £14m firm employs 22 people and works across the entire financial services sector, from the smallest boutiques to the biggest global players.

Initially the firm carved its reputation in Scotland's globally-renowned asset management sector. However, the success of its model allowed it to expand across the wider financial services market. It now boasts dedicated accounting, investment operations and finance teams and also works in Scotland's thriving legal sector.

The Industry Trends and Salary Guide is 63 pages of market analysis, salary data and insights from consultants, clients and candidates. To register to receive a copy [Click here](#)