

Shortage of staff will define Scotland's financial sector this year

Balance of power sits with employees despite the recession.

An "unprecedented" shortage of skilled labour will be the defining issue of the coming year according to an influential annual report on Scotland's financial services sector.

Warnings over the struggle to meet soaring staff expectations are symptomatic of a jobs market whereby employees still hold the balance of power, despite the country's economic woes.

Now in its eighth year, Core-Asset Consulting's "[Industry Trends and Salary Guide](#)" is a forensic review of salary levels, as well as being a gauge of market sentiment, activity and the themes impacting the sector in Scotland.

Due to be published in late January, the report by the sector's leading recruiters also underlines that the decreased reliance on face-to-face work means that firms in Scotland must compete with London and other financial hubs for available talent.

Firms offering roles north of the border have been left struggling to fill vacancies, which have risen 23% over 2022 compared to the previous year, while the number of applicants is down by 19%.

The time taken to fill a vacancy has also telescoped, with many firms forced to review and hike initial salary levels, forcing difficult conversations internally with existing staff

on similar pay brackets.

Betsy Williamson, founder and Chief Executive of [Core-Asset Consulting](#), said: “Winning the race for talent requires a deep understanding of what employees’ value.

“Flexibility is the name of the game, but as a basic benefit, not a nice to have. Flexible working is now the norm for many and organisations must reposition and reinvent themselves to compete effectively.

“Ultimately, businesses must be prepared to market themselves to candidates just as they would to potential customers – as candidates know their value and they know that many skills face a supply shortfall.”

The guide states that the causes of labour market deficiencies are layered, however states that the reduction in available labour is interconnected with the UK’s exit from the European Union and the subsequent exodus of overseas nationals during the pandemic.

It advises that to be successful in hiring, firms must be closely attuned to the needs of the pool of labour, with salaries meeting rising inflation, a focus on employee wellbeing, investment in training and development and support with the cost of living expected.

A straw poll of 43 recent Core-Asset Consulting candidates revealed that 39.5% would not entertain a role that offered no flexible working, while 79% would be willing to travel to London two days per week in return for flexibility, over a role necessitating five days in the office.

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 expectations 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.

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 £26 million firm employs 23 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.

<https://bit.ly/Salary-Guide-2023>



HQ of Core-Asset Consulting