

CANDIDATES VS EMPLOYERS

Financial Services Recruitment Research 2015



Foreword

By Jess Wood - Managing Director, Sandringham Wood Recruitment Ltd

Welcome to the Sandringham Wood Candidates vs Employers Research 2015. We surveyed candidates and employers from the UK retail financial services market to find out **what really drives people's career decisions** within the industry.

The survey looked at four key areas: pay and benefits; training and development; employer profile; and 'other' (covering aspects such as commuting time and job title). When asked which of these four aspects was the **most important overall**, both candidates and employers chose **'pay and benefits'**. However, the answers to some of the individual questions told a different story. The research also uncovered some **interesting differences between what candidates want and what employers think they want**.

As you might expect, **'good career prospects'** featured frequently in the results from both sides. Perhaps more surprisingly, **candidates place significant value on 'good employer communications with staff' and 'strong company management team'** - both of these were ranked as important factors in attracting 77% of our candidate respondents to their current role.

Three **important aspects that employers seem to be underestimating** in particular are: 1. the **employee benefits package**; 2. **good employer communications with staff**; and 3. **well defined training and development programme**. These were all consistently ranked as important by candidates, but not employers. On the other hand, **employers are over-estimating the importance of job security and stability** to today's candidates. We all know that the 'job for life' culture of old no longer applies - and it seems candidates are far more comfortable with this than employers realise.

These results show us that **today's employees want to feel valued and kept informed**. They also want to **operate under the leadership of a strong management team** and be **supported in their professional development**, with **opportunities to progress** and **take control of their own career**.



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• Introduction

The Sandringham Wood Candidates vs Employers Research 2015 was carried out between 13 November and 22 December 2014. Both employers and individuals from the retail financial services industry were invited to respond, through:

- a combination of emails sent to the Sandringham Wood and Institute of Financial Planning databases; and
- sharing across social media platforms.

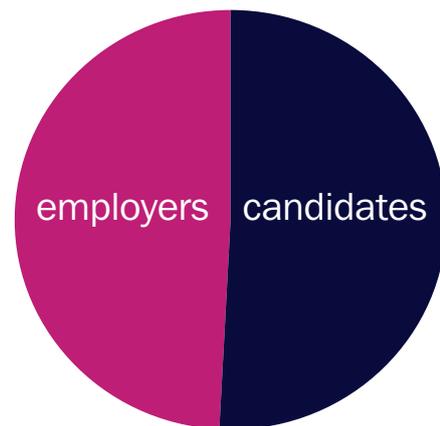
All responses were collected via an online survey.



Purpose of the research

The purpose of the research was to better understand:

- the main drivers behind why candidates choose to move to a new role with a new employer;
- the reasons employers think individuals choose to move; and
- most importantly – any differences between the two.



25 employers | 26 candidates

Respondents

Overall, there were **51 respondents** to the survey – 26 from candidates (a healthy balance between advisory and non-advisory individuals) and 25 from employers.

Topics covered

The research asked a number of questions and looked at four key areas for each:

1. Pay and benefits
2. Training and development
3. Employer profile
4. Other

Pay & benefits?
Employer profile?

Training & development?
Other factors?



For each question, respondents were asked to rate the importance of a number of factors on a scale of 1-5, with 1 meaning 'not at all important' and 5 meaning 'very important'.

For simplicity, when reporting on certain questions, we have grouped these ratings as follows:

1 & 2	3	4 & 5
not important	neutral	important

Overall career priorities

At the end of the survey, both groups of respondents were asked to rate the four areas in terms of their overall importance in relation to an individual's career choices.

In this section, **pay and benefits came out the clear winner for both groups, with 71% of candidates and 56% of employers** selecting this as the most important factor. When we move to second place we see an interesting difference in the results; **44% of employers thought that training and development was the second most important factor, compared with just 29% of candidates.** Instead, the **company profile was ranked second by candidates (43%) but only 16% of employers** thought the same. This shows **just how vital the employer brand is to candidates;** something many financial services employers seem to be underestimating.

43% 43% of candidates say an employer's profile is the second most important factor when making career decisions

16% Only 16% of employers thought the same

Percentages are rounded to the nearest whole number throughout.



• What attracted people to their current role?

To start with, we asked all candidate respondents:

- What attracted you to your current role?

24 candidates responded to this question, and one confirmed that they are currently in their first job. As with the rest of the survey, the question was separated into four key areas:

1. Pay and benefits
2. Training and development
3. Employer profile
4. Other

Interestingly, the highest scoring factor for this question overall was **'good employer communications with staff'** with **77% of respondents scoring this as important** (4 or 5), and 46% giving it the highest importance rating (5).

In very close second was **'strong company management team'**; this again was scored as important by 77% of respondents, with 42% giving it the highest rating. The third biggest driver in attracting candidates to their current role was **'good career prospects'**; 73% of respondents stated this was an important factor for them, with 42% giving it the highest rating.

It is notable that financial reasons (pay and benefits) do not make it into the top three drivers for our candidate respondents in this section. The **highest-ranking financial motivation was 'increase in salary' with 54% of respondents stating this was an important factor in attracting them to their current job.**

77% 77% of candidates say that good employer communications with staff was an important factor when choosing their current role

The graphs on the next page show the number of candidates who confirmed each individual factor as being important to them (scores of 4 or 5).

Comment from Jess:

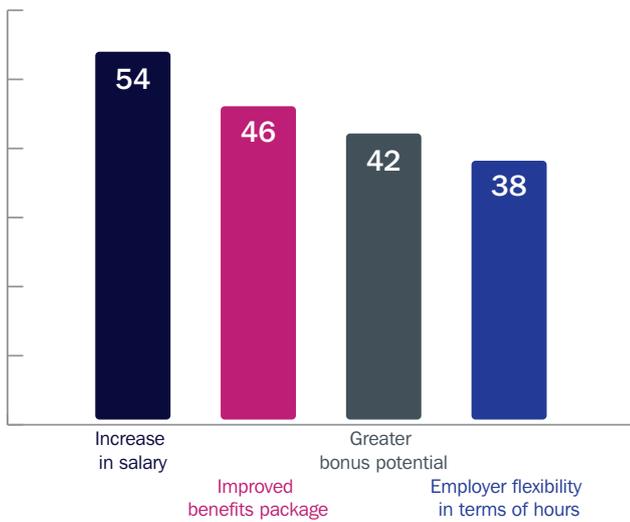
The results here really highlight just how important the employer's profile and culture are to candidates. People want to feel they will be kept informed of developments at their company - and that the business they work for is well managed. Whilst we may know this intuitively, the key point is that more candidates scored these factors as important than any of the financial aspects.

The fact that salary was the highest scoring financial motivator is not surprising. However, employers should take note that the employee benefits package was the second highest motivator in the 'pay and benefits' section - ranking higher than greater bonus potential or employer flexibility in terms of working hours. Our own experience backs this up - many candidates we represent place a lot of value on the benefits package.

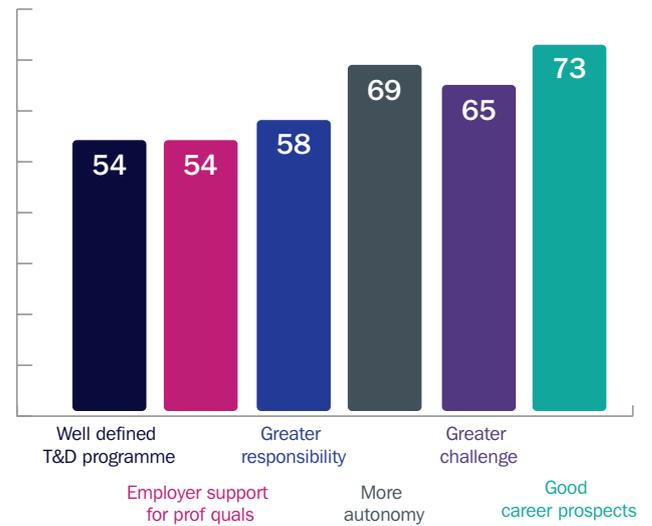


% of candidate respondents who rated each individual aspect as an important factor in attracting them to their current role:

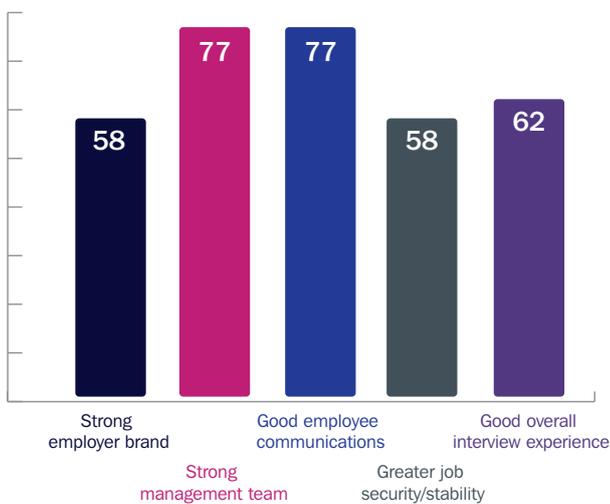
Pay and benefits



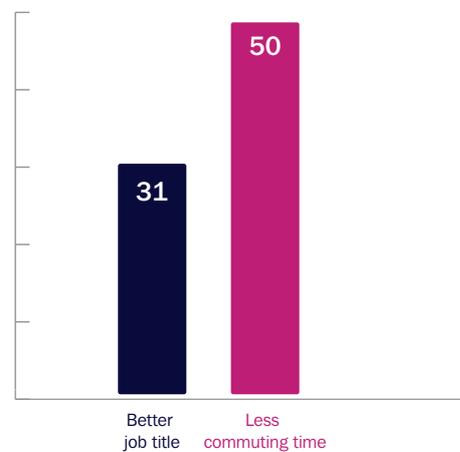
Training and development



Employer profile



Other





• What keeps people in their current roles?

Our respondents were asked the following:

CANDIDATES: Which factors keep you in your current role?

EMPLOYERS: What keeps your team members in their current role?

Responses to this question were very varied across both groups – highlighting the **broad spread of motivators** different people have when it comes to their career.

The **overall three most important retention factors respectively** were as follows:

Candidates

Factor	% rate important	% highest ranking (5)
Feeling valued	62	38
Good career prospects	62	38
Job satisfaction	62	35

Employers

Factor	% rate important	% highest ranking (5)
Job security/stability	80	35
Relationships with colleagues	76	38
Good employee comms	76	35

It is interesting that, once again, **financial reasons do not make it into the top three for either group** in this section.

If we look only at the **pay and benefits** section of the question, we see the following:

Factor	% rate as important (4 or 5) retention factor	
	Candidates	Employers
Salary	50	68
Benefits package	46	32
Bonus potential	42	36
Employer flexibility in terms of working hours etc	46	56

Comment from Jess:

These results show that candidates simply do not place the same level of importance on salary as many employers believe. Conversely, the employee benefits package offered is of greater importance to individuals than employers realise.

Employers also seem to view themselves as more flexible than their staff do – with 56% of employers thinking this is a key reason people stay with them, as opposed to 46% of individuals who state this as an important factor in why they stay in their current role.



• Attracting passive candidates

One of the main challenges for employers when looking to find the very best quality people is attracting candidates who aren't actively looking for a new role. To find out, we asked:

CANDIDATES: If you're not looking to move jobs, what factors could tempt you away?

EMPLOYERS: If someone in your team was not looking to move jobs, what factors do you think may tempt them away?

Candidates

As you might expect, the candidate responses to this question take a similar shape to our initial question (What attracted you to your current role?), although this time with a switch in first and second place:

Factor	% rate important	% highest ranking (5)
Strong management team	73	19
Good employee comms	69	19
Good career prospects	65	38

However, if we look only at the **factors candidates rated as 5 (most important)**, we get a different outcome (with the exception of 'good career prospects', which appears in both sets):

Factor	% rate as most important factor (5)
Increase in salary	42
Good career prospects	38
Greater challenge	31

Employers

The **results from employers look quite different**, with the following top three overall:

Factor	% rate important	% highest ranking (5)
Better relationships with colleagues	68	24
Good career prospects	68	28
Good overall interview experience	64	16

To compare like-for-like between candidates and employers, the table below highlights the three factors that received the highest number of 'most important' (5) ratings by employers:

Factor	% rate as most important factor (5)
Increase in salary	36
Greater job security/stability	32
Good career prospects	28



The one consistent factor across each set of results on the previous page is **good career prospects**. This is clearly very important to candidates, which is recognised by the employers we surveyed.

If we then drill down further into the responses to each individual factor, our research highlights **three crucial areas that employers are under-estimating in terms of their importance to candidates:**

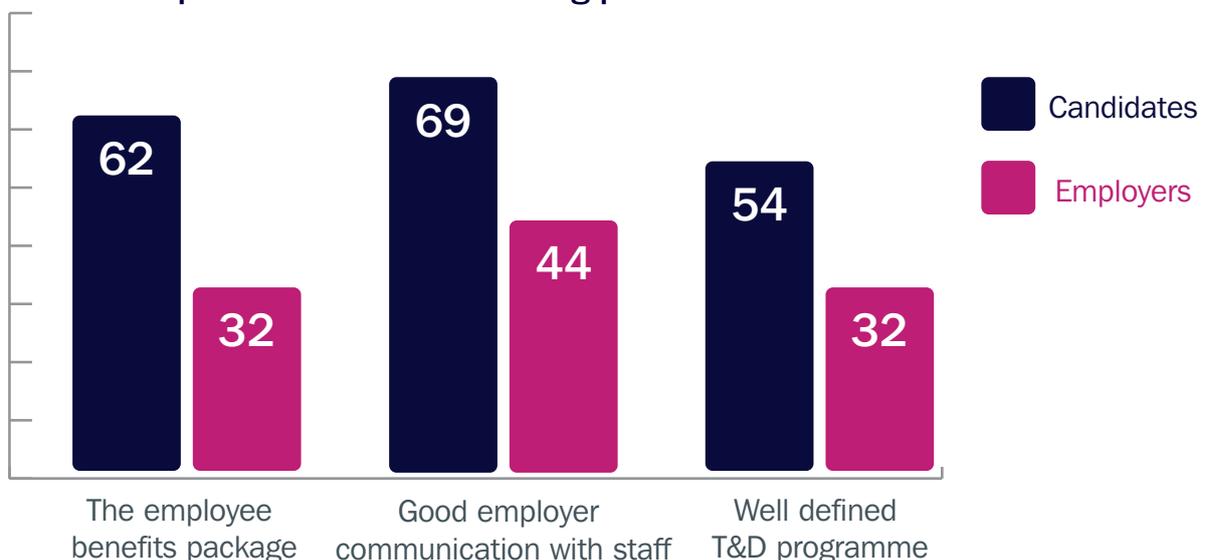
Factor	% rate as important factor	
	Candidates	Employers
The employee benefits package	62	32
Good employer communication with staff	69	44
Well defined training & development programme	54	32

Comment from Jess:

Here we were effectively asking candidates ‘what type of shiny bauble might catch your eye?’. Unsurprisingly, an increase in salary scored highly - showing that money is still a powerful motivator. Interestingly, ‘employer flexibility in terms of working hours etc’ was considered less important in this section than in response to any of the other questions.

The results also show that training and development opportunities could play an important part in attracting passive candidates - but employers do not seem to realise this. Personal development is imperative for many candidates and should not be overlooked when trying to attract new talent to your business.

% of respondents who rated each individual aspect as an important factor in attracting passive candidates:





• Why do people move to a new employer?

Our final question for employers was:

- If one of your team was actively looking for a new role elsewhere, what do you think are likely to be their key drivers?

The responses to this question varied considerably when compared with the previous question regarding passive candidates. This time, the top three drivers from an employer’s perspective were as follows:

Factor	% rate important	% highest ranking (5)
Good career prospects	72	28
Greater job security/stability	60	24
Strong management team	60	8

However, as before, if we then look only at the factors that received the highest number of ‘5’ (most important) rankings, the results change as follows:

Factor	% rate as most important factor (5)
Increase in salary	36
Good career prospects	28
Greater job security/stability	24

The most notable difference here is the financial motivator (in this case, salary) in first position.

Candidates

Similarly, **candidates** were asked:

- If you’re actively looking for a new job, what are your key drivers?

Only eight of our candidate respondents were actively looking for a new role at the time of the survey, giving too small a sample group to be able to compare like-for-like with the employer group. However, of those eight, it is notable that six scored **each of the following factors as being very important (5) drivers:**

Employer support for professional qualifications

Increase in salary

Good career prospects

Greater bonus potential

Strong company management team



To provide a more rounded view, we analysed our own records, looking at the last 21 placements made by Sandringham Wood and the primary reasons they were looking for a new role.

The results were as follows:

- **71% specifically stated that one of their reasons for moving was to achieve an increase in salary**
 - **52% achieved a salary increase on moving roles**
 - **33% took a new role with a decrease in salary**
 - **14% moved for the same salary**
- **34% confirmed they were looking for a new challenge – this was the second highest motivator after an increase in salary**
- **13% of candidates stated they were looking to move due to issues with their current management**
- **7% of candidates were looking to reduce their commuting time**

71% 71% of candidates are looking for an increase in salary

34% 34% of candidates are looking for a new challenge

Comment from Jess:

These results highlight that, **although it is not the only important factor, salary is still a key driver and motivator for individuals** when they are looking for a new role. Our own experience tells us that this is currently an even higher priority than normal, for the following reasons:

- Over recent years, many employers have frozen pay or only given very limited pay rises; for example, we recently represented a pensions administration professional who hadn't received an increase in pay for nearly six years.
- Although pay may have been frozen, the cost of living has continued to increase, so many individuals have had to cope with an effective pay cut.
- The economy is now looking healthier and many more financial services employers are hiring again; this creates a more positive outlook for candidates as well, many of whom may be particularly keen to achieve an increase in pay to make up for their wage stagnation over the last few years.

That said, although 71% of candidates were looking for an increase in salary, only 52% achieved it - and **33% took a new role with a decrease in salary**. This shows us that if the opportunity is right, people will move roles; even without the financial incentive they initially wanted.

CANDIDATES VS EMPLOYERS

SandringhamWood

Sandringham Wood is a specialist recruitment consultancy, dealing with all types and levels of role across the financial services industry. We strongly believe in forming long-term partnerships with our clients in order to ensure we consistently deliver excellent levels of service and advice. To find out more about how Sandringham Wood can help your business, please do not hesitate to get in touch.

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