Recruitment Market Insights 2015
What’s in store?
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Welcome to the Eden Scott Recruitment Market Insights 2015 report. Here you will find our predictions and forecast on factors that will impact the recruitment market this year.

It brings me great delight to introduce this report, which has been based on information provided by hiring managers and the first-hand experience of our recruitment specialists, across 11 market sectors.

We pride ourselves on delivering unique and credible market intelligence each year to highlight the key factors businesses should consider as part of their employee acquisition and retention strategies.

With 2015 underway, we have already experienced record numbers of new roles already.

This document starts with an overview of the recruitment market as a whole before focusing in more detail on specific markets.

We hope you find the contents of this report insightful and informative as you plan your company’s recruitment strategies for 2015.
What’s in store for recruitment in 2015?

There is a lot of optimism surrounding both the UK and Scottish recruitment markets for 2015 following a period of strong economic growth. The economy has been forecast to grow between 2.5% and 3% this year, which is expected to have a positive impact on the labour market with continually rising rates of employment.

Whilst there are industries and organisations which continue to face significant challenges, in particular the oil and gas industry, prospects for the recruitment industry remain overwhelmingly positive.

The CIPD 2015 Labour Market Predictions report shows that employment will rise from 30.9 million to 31.3 million in 2015.

It is anticipated that around a third of UK workers will change roles this year, therefore employers will need to prepare themselves for an increase in employee turnover.

Salary is no longer the only factor to consider for staff retention. Employers should be aware that employees increasingly value opportunities for personal development, working in a varied and interesting role, and having a sense of being valued.

Salaries are expected to rise by 2% in 2015, although this figure may increase as employers compete for candidates who have more options to choose from. Employers might need to raise salary levels to remain competitive and to lure the best talent to their companies.

Contracting roles will also increase in 2015, with hiring managers looking to embrace a fluid pool of talent to deliver short term projects.

Employer branding will continue to remain vital in order to tempt candidates to companies with positive brand images.

LinkedIn reports that 72% of UK hiring leaders credited their strong employer brands with enabling them to hire the best candidates. Companies that have not considered their employer brands should do so in 2015, to ensure they are competitively placed in acquiring new talent.

Technology will remain important to recruiters; career sites should be optimised for different devices and allow candidates to apply for jobs on the go.

In 2014, 41% of global firms were using social media to market their businesses, compared with 31% in 2012 and a projected 90% of firms will do so by 2020.

As the value of social media as a recruitment tool becomes more widely accepted, more recruiters will embrace channels such as LinkedIn, Twitter and Facebook to find suitable talent.

All in all, 2015 is set to be an energetic and progressive year for the industry. With Scottish business start-ups at record levels and with employers set to ramp up their talent acquisition strategies the recruitment market is highly anticipated to witness a strong period of growth. 2015 is a year for companies to invest in people, rebuild trust and confidence after the recent turbulent economic period.
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A Transformational Year For Accountancy & Finance

The “War for Talent” will intensify this year.

Demand for commercial and industry accounting professionals increased in 2014, with more employers seeking qualified candidates for their businesses. This trend is likely to continue in 2015, as confidence returns to the accountancy and finance sector.

At Eden Scott, we have witnessed a 17% increase in vacancies in 2014. The demand for temporary and contract staff also increased with a rise in requirements to fulfill fixed term projects.

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Banking institutions will feel the pressure to become profitable again. With new pension laws, the Retail Distribution Review (RDR), continued regulatory changes and the PRA/FCA growing more legs, companies will search for new ways to grow and methods to maximise profits and remain customer focused.

Offering accountants opportunities to make a difference and acquire commercial skills in-house will hopefully dilute the need for people to find these challenges elsewhere.

Paul Buchan
Senior Consultant
Accountancy & Finance

As well as the global challenges faced in recent years we have put the questions of the referendum and the worry of whether companies will relocate staff to England behind us.

Mike Leeman
Senior Consultant
Accountancy & Finance
Confidence Slowly Returns to Financial Services

Financial services vacancies increased by 25% last year. The industry is repositioning itself for growth and regaining its solid footing.

Confidence is slowly returning to the financial services sector, however evidence suggests that the UK industry remains cautious. This year, business leaders will be tasked with ensuring their companies remain agile and innovative to capitalise on growth opportunities in 2015.

Wealth and asset management will tackle regulatory change, as remuneration bites the hedge fund industry and asset managers will need to cope with unfixed product profiles as annuities change the mode.

With the threat of cybercrime, financial services companies will see a wave of technology spend on the front office as asset managers chase growth.

The impact of UCITS 5, which will be implemented in March 2016, will require employees with specialised skill sets in projects, compliance and regulation. Businesses will likely hire these people ahead of the changes in 2016.

2015 is set to be a revolutionary year for the life and pension sector. With various regulations coming into place, the demand for talent will not decrease within this area.

The financial services industry will remain optimistic throughout 2015, with businesses feeling positive about recruitment again.

The US economy remains robust and is delivering above trend growth and whilst the UK financial services industry may not performing at the same level it is delivering strong results and outperforming continental Europe.

Asset Managers are particularly high demand across the sector, however there has not been a dramatic increase in vacancies.

My predictions for 2015 are that there will be a gradual increase in opportunities throughout the year. I also expect that candidate confidence will slowly return to the market, dusting off the effects of the previous turbulent years.

Karen Kerr
Principal Consultant
Financial Services

Eden Scott Financial Services
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Strong Growth Across Global Economies

It has been suggested that the major global economies will grow at a rate of 3.4% in 2015. This includes Europe, USA and the Asia-Pacific region. The major emerging markets, including South America and Africa will continue to grow, but growth will vary, depending on the pace of reforms. Asia offers opportunities to build sustainable growth, but it also brings challenges on economic, legal, and institutional fronts. However, early signs show that they remain the leader for global growth at a rate of 5.5%.
Who will be recruiting in 2015? Well as always the supply and demand in the offshore locations i.e. Bermuda, The Cayman Islands and other Caribbean islands, Gibraltar, Channel Islands and Isle of Man will remain high. Clients in these locations will always need to recruit fully qualified experienced audit professionals wanting to gain exposure to the hubs of the financial services world.

At the executive end of the spectrum, companies who predominantly work within the energy and mining markets are continuing to recruit accounting experts, to help lead firms into new markets and overcome economic challenges. Taxation and transfer pricing experts are still a growing commodity in all major cities across various levels. This is partly due to the ever changing taxation policies governing us all.

At Eden Scott, we are experiencing a lot of positivity and developments within new start ups, SME’s and professional services.

We are experiencing a change in role demand which has resulted in more transaction services and corporate finance skills needed to support the new start ups, acquisition requests and identification of new business and deals.

This change has encouraged the movement of skill set both in and out of the UK, and candidates offering an additional attraction such as languages, qualifications and or international movements are proving more favourable to such organisations.

The demand for qualified audit and tax professionals is still very much present. For the moment new business and advisory skill sets are proving to be in demand.

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**Sophie Randles**
Consultant
International Finance

We are delighted to announce a 56% increase in international accountancy and finance positions at the start of 2015 compared to last year. We see this as the start of a very busy year for our team, which is not only due to market growth but also to repeat business.

With the rise in opportunities we are able to offer a broader range of locations to accountancy professionals with world leading organisations.
Building a Strong Future

Scottish Construction companies experienced a successful end to 2014 with confidence growing in the market.

Although the economic climate continues to have a bright output, operational margins still seem to be under pressure.

According to the latest Scottish Construction Monitor, over 40% of construction firms expect to increase their workforce.

With the recent help for first time buyers through government schemes, Scottish housing projects continue to support and grow the construction sector. Residential development will remain an important market for construction growth, with private housing being the driving factor.

It is pertinent that the banks continue to make mortgages readily available to support the private housing market and the commercial market to see this industry steadily grow.

There are some exciting future Scottish construction projects including the Glasgow University Campus development, Glasgow Waste Water refurbishment Tunnel, as well as new schools and hospitals in the pipeline.

To continue the growth of the Scottish construction market appropriate training schemes for trades need to be developed and funded.

2015 will be a year to look forward to with high growth in the construction market.

Companies will be tasked with recruiting, retaining and developing their employees skills.

Figures suggest that construction output in Scotland will increase at an average of 1.6% during the period 2015 – 2019.

There seems to be a shortage of skilled trades, especially carpentry, joinery and bricklaying skills, it is important that companies are investing in the future with adequate schemes and the government providing funding.
FOOD & DRINK

DISTILLERY
More Companies Will Tap into the Talent Larder

Food and Drink manufacturers have an appetite to innovate. The UK food and drink industry is fully on the map, and seen as a key contributor to an improving economy. Businesses are investing in new technology and equipment to increase performance and bottom line profitability.

Innovation is particularly evident within the “Free From” market, for example gluten free. Previously consumers have purchased these products for health reasons; however we are now seeing a shift in consumer behaviours where health conscious consumers are choosing gluten free products as part of a lifestyle choice.

Gluten free products in particular have evolved and the quality, and more importantly the taste of these products, is much closer to the gluten offering. Because of this, we are seeing an increase in gluten free ranges as manufacturers invest in diversifying their product ranges.

The innovation boom has led to an increase in demand in recruitment, particularly within development, engineering and technical. As businesses continue to invest and diversify their product ranges the demand for Project and Process Engineers has grown, with companies looking for people to manage significant CAPEX projects but also a drive on process improvements.

Manufacturers need to stay one step ahead of their competition and as a result we have seen a big increase in Development Chefs and Managers to drive innovation and meet these changing needs of the consumer.
Growth Predicted in the Hospitality Sector

PWC released an industry report in December 2014 which highlighted the latest forecast for UK hotel market.

Overall UK hotels are expected to see a 5.6% gain in RevPAR (revenue per available room) in 2015 to £67.39, driven by a 4% growth in rates to £86.49 and a 1.6% increase in occupancy to 78%. This is underpinned by a continued strong recovery in the Provinces as well as strong growth in London, especially next year.

We expect growth across the board for hotels for the 2014 outturn and for 2015, underpinned by a resilient economy, buoyant business travel and a knock-on effect from the Rugby World Cup in 2015. Modest growth in occupancy should be mirrored in both the Provinces and London and should be enough to lift occupancies to record levels.

Leisure, business and group travellers, all of whom were hit hard during the recession, are returning and putting a demand on the hospitality sector. Following on from a strong 2014, the industry’s continuing growth will result in more focus being placed on the recruitment and retention of its people and the attraction of new talent into the hospitality field.

Operators who offer competitive salaries and promotion prospects will attract ambitious candidates who seek the opportunity to progress to senior management. Down the line, those in senior management who are given leadership support and ongoing training will be more loyal to their employer.
People Leading People

The HR recruitment market is buoyant, with more skilled professionals expected to come onto the market this year.

As the economy continues to improve the HR function can make a real impact during business changes. HR professionals are the driving force for workforce planning, attracting, recruiting and retaining people and developing employees; all of which directly align with business strategy.

There has been a shift in the type of roles that HR candidates are looking for. Many are seeing the benefits of contracting and are leaving permanent positions to work on shorter-term projects with employers who have a strong talent brand.

HR salaries are on the rise. Company fit is a driving force when selecting talent, and when employers find someone that will fit with their business they are willing to pay more for that candidate.

To recruit the best, you need to have the best employer brand and HR team in place.

Employer branding is particularly important to candidates in this community. HR professionals understand the benefits that this brings to an organisation as part of its recruitment and retention strategies, therefore they will look for potential when choosing a position.

Demand for experienced HR professionals is also growing within Scotland’s SME community. With the upturn of the economy, start-ups are focusing on growth and acknowledging the benefits of bringing on board an HR Manager to acquire and develop their companies’ workforce.
Plugging the IT Skills Gap

The demand for Software Engineers has been steadily outstripping supply for the past 18 to 24 months in Scotland. We would expect that demand to continue well into 2015 – with Java/J2EE and .Net skills particularly desirable.

The skills shortage is a growing concern for employers who will seek specialised IT resource to fill these gaps. This will create added pressure on hiring managers as competition to secure the best talent remains fierce.

The lack of specific skills has encouraged employers to look towards more open source technologies, with particular demand around Python, Ruby (On Rails) and Javascript (AngularJS and EmberJS).

A large number of organisations are seeing the benefits of utilising Unix/Linux based platforms for quicker deployments and easier automation. As a result candidates with experience of Linux/Unix environments will be in high demand.

In 2014 we saw DevOps emerge as one of the newest and most exciting skill sets in Scotland on the back of a huge increase in the number of technology companies offering cloud based services. For organisations looking to operate and support rapidly changing resilient systems at scale these positions will continue to become more prevalent.

2014 has been a year of strategic consolidation with many companies looking to realign their management structures. After a great year of opportunity across IT manager and director level positions we expect the focus to shift towards kicking off these strategies with organisations set to scale up their project teams for 2015.

It can be incredibly challenging for hiring managers to find the right IT candidate. Now more than ever professional relationships, referrals and networks play a key part in the recruitment process. Candidates have much more choice of positions to choose from, therefore it’s vital to have a good network to attract the right talent.

2014 continued to be a great year for Computer Science and Information Technology graduates with average starting salaries coming in at £25k and in some cases exceeding £30k due to fierce marketplace competition.

Salaries will likely rise this year to reflect marketplace competition to secure the best candidate and retain the existing workforce.
Legal Market Consolidation

Consolidation is the word in the legal market for 2015, as the economy continues to seek ways to cut costs. Whilst the global economy is finding its feet in the shadow of the recession, the Scottish legal market remains an ultra-competitive marketplace. Cost cutting and savings remain the biggest priority for clients who are looking to streamline their businesses causing firms to “think outside the box” in how they provide their services with value for money.

Scottish firms continue to do well. Burness Paull has reported record profit results and Brodies hired its 600th employee in January 2015. There is movement in the market along with opportunities, hiring across sectors at all levels.

Across Scotland the major cities are all thriving in specific areas. Edinburgh is focusing on real estate, corporate, banking and finance, intellectual property and asset management. Glasgow is specialising in renewables, construction, real estate and energy. Aberdeen remains strong in real estate, energy, corporate, commercial contracts and residential development. All three cities are continuing recruitment within both private practice and in-house.

For oil and gas specialist legal firms, forecasts remain positive despite the oil price drop. Although clients may tighten their belts, the environment is historically ripe for large mergers or disputes.

Given the mergers of recent years with international and UK firms acquiring smaller Scottish firms, there has been an increase in salaries in Scotland in order to be competitive with their UK counterparts.

Into 2015 I don’t foresee firms increasing their basic PQE salaries, however I would say that given the competitiveness of the market, candidates will have more scope at selecting the best offer available.

While it may still be a little way off pre-recession levels, the market is certainly showing very positive signs with the private practice market very buoyant when it comes to recruitment across all levels. Confidence has been re-invigorated over the course of 2014 with a mix of brand new firms opening up alongside further mergers and it can be comfortably predicted that this trend will continue into 2015/2016.

Rachael Krempa
Consultant Legal

Mark Donaldson
Senior Consultant Legal
All Eyes on the Home Market

The domestic market is key going into 2015. Manufacturing output is likely to continue to grow this year, however it is expected to slow in comparison to 2014. Whilst there are plenty of orders across the sector, the relatively weak Euro means continental markets will buy less from Britain.

Whilst the international export market may slow, it provides benefits to companies looking for cheaper raw materials overseas.

The situation with the falling oil price will have an impact on related projects within this sector and predominantly within Aberdeen. Steel manufacturers in particular may also find the year a bit slower. Growth in engineering should remain consistent throughout 2015, with an ease on the skill shortages many companies faced, particularly with the financial benefits offered in the oil and gas market.

The sector is in high demand for design based skills, such as Mechanical Designers, Electronics Designers and Embedded Software Engineers. As these skill sets are highly competitive and difficult to source, companies will be focusing primarily on how to retain these employees.

Across the board, salaries will remain similar to 2014, with only marginal increases expected. There is, however, a disparity of salary levels across the industry, as companies provide counter offers in order to keep their best employees.

To bring fresh talent into the industry, the UK Government is considering introducing National Insurance non-payment for apprentices under 25. This could create up to 5,000 roles within the sector.
OIL & GAS
Overcoming Market Challenges in 2015

The North Sea oil industry is still feeling the effects of a declining oil price. With high production costs and low demand it will most certainly be a challenging time for the sector. This decline is driven by lower consumption by countries such as China, as well as an oversupply of less expensive oil from OPEC countries such as Saudi Arabia.

The industry is seeking lower tax rates. North Sea oil is typically taxed between 60-80%. Lower tax rates would certainly help oil and gas companies cut their operating costs.

Oil Majors are having to restructure and move their support functions to emerging economies such as Eastern Europe and the Far East. Fields that are expected to produce for the next five to 10 years are being looked at for decommission far earlier, as oil selling at its current level is simply not economical. Smaller independents with lower cost bases can look somewhat more resilient, but these don’t have the economies of scale or the large asset bases of the Majors to mitigate the risk factors in the present climate.

Start-ups, who have lower overheads and leaner staff costs have capitalised on the market situation by winning new contracts and projects.

In order to support long-term sustainability for the industry, companies should seek ways to develop and retain staff to avoid salaries inflating as they did after the oil price dip in 2008.

The oil and gas industry has always been cyclical in nature with major changes in the oil price typically happening every five to ten years. This is one of the reasons that the industry is so driven by contract staff.

All of our oil and gas divisions remain busy with lots of vacancies to fill, plus there’s been an influx of good candidates coming onto the market.

Andrew Ferguson
Director
Oil & Gas

There are varying reports on what is causing the lower oil price.

Regardless of what is causing the current dip in the market, it won’t be permanent and companies should be reviewing longterm goals in addition to implementing corporate corrections to reduce operational costs in the short term.

James Milne
Director
Oil & Gas
Transforming the Renewable Energy Sector

2015 is an important year for the Renewable Energy sector.

The UK government’s Contract for Difference (CfD) policy requires more clarity to ensure investor confidence levels for the sector to properly flourish.

The onshore wind sector is subject to tighter planning stipulations. Depending on the banding that projects fall into we might be seeing an increase of constructed projects, prior to the 2017 cut off point, with associated engineering skill sets becoming high in demand.

There was extremely positive news in 2014 regarding flagship offshore wind projects that have achieved planning consent in Scotland, which have the potential to be a catalyst for significant development north of the border. We anticipate a rise in recruitment activity early in the second quarter of the year when the first CfD auction comes to a close in March.

In addition, the solar market remains a source of optimism whilst onshore and offshore wind continues to grow with an increase in requirements for operation and maintenance professionals.

Electrical infrastructure improvements to the UK National Grid network will continue to gain ground in 2015 with upgrades of existing equipment as well as the construction of new power lines, substations and even a subsea transmission link between Caithness and Moray.

The new link, which will feature over 100 miles of under ground and subsea cable, is needed to transmit a large volume of electricity from renewable sources in the north of Scotland to the Scottish Isles. We anticipate ongoing requirements related to grid connectivity, transmission and distribution and electrical protection and controls.

Job vacancies increased 61% in the renewable energy sector in 2014.

2015 will be an exciting year for the renewable energy sector.

The sector as a whole needs ongoing investment and a commitment to innovation in order to drive down costs.

We are optimistic about the potential across the more mature and emerging technologies with the right support from government.

Michael Lynch
Divisional Manager
Renewable Energy
Investing in Sales Talent

As sectors such as construction and IT stabilise again, a direct impact is being felt in the sales recruitment market. At Eden Scott we have seen an increase in demand for field based sales professionals to assist employers increase their revenue margins.

Sales positions across all sectors will continue to be very candidate driven. As a result of recent redundancies and the volume of available candidates, employers are being a lot more specific in what they are looking for. Transferrable skills are less important in the specialist sectors.

There is also an increase in confidence within the property sales market in Scotland. Both the selling and rental markets are booming again so clients are feeling confident investing in growing their sales teams. Advertising and media companies are gradually building sales teams to pre-recession levels.

Simon Stratford
Senior Consultant
Sales & Marketing

As confidence returns to the market there will be an uplift in specialist sales roles across the UK. Entry level roles will remain hard to come by as businesses look for experienced professionals to join them.

Fiona Turtle
Consultant
Sales & Marketing

With more sales candidates on the market and looking for a move, competition for each role is becoming fiercer. Traditionally transferrable skills could be applied in most sales roles, however this is less likely in 2015.
The demand for marketers will continue to grow this year. I believe the big growth area will be analytics and insight into marketing strategy and digital will be at the heart of every business.

Companies will continue to grow their in-house marketing teams in 2015.

With the introduction of the Retail Distribution Review within the financial services industry, businesses will require a direct to consumer platform and a digital team to build this. For this reason the demand for marketing professionals with digital skill sets will continue to grow.

Digital companies and teams are now looking for people outwith the industry they are in, different sectorial experience is now an advantage and brings something fresh to their teams.

Marketers will be expected to have strong campaign and strategic experience in 2015 as well as excellent technical skills. Employers are looking for a perfect blend of creativity and technical abilities, whilst being able to deliver a scalable return on investment.

Jennifer Telfer
Consultant
Sales & Marketing

The demand for marketers will continue to grow this year. I believe the big growth area will be analytics and insight into marketing strategy and digital will be at the heart of every business.

Sally Rae
Consultant
Sales & Marketing

Interviewing techniques for all levels of staff are becoming much more sophisticated. Employers are using competency and panel interviews to ensure they find the very best talent in the marketplace.
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