

The AlgoMe Career Satisfaction Benchmark Report 2017



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Target your career goals

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The AlgoMe Career Satisfaction Benchmark

Welcome

According to The Investment Association there are currently 93,500 people employed in activities related either directly or indirectly to asset management - this is a significant community.

We've created this report as a pulse check for the asset management, fintech and wider financial services industry when it comes to working goals, ideals and motivation. The results have proved what we have been suspecting for a while - the workforce is changing and there are already fundamental gaps in expectations between employees and their employers. We've surveyed industry professionals and drawn on established research and reports too.

The report will support both professionals and companies by helping them to understand how to manage their roles and ambitions successfully - especially when it comes to identifying needs and weak spots.

Please do enjoy the read and feel free to share this with your colleagues and HR.

Thanks from me and the rest of the AlgoMe team.

Rob Carter, CEO
AlgoMe



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Executive Summary

The AlgoMe Career Satisfaction Benchmark has given us a great insight into what people are looking for and what the reality offered to them is

People care about their jobs and the bar is constantly getting further elevated when it comes to prioritising the five key pillars we have identified; Culture, Values, Quality of Working Environment, Technology and Innovation.

Culture, values and **quality of working environment** are the three most important elements. In addition, when it comes to day to day working life, the survey identified the three most important factors, out of a possible nine, which contribute to job satisfaction as:

- **Work/life balance (49%)**
- **Salary and benefits (47%)**
- **Flexibility (40%)**

The reality shows a major gap between what people want and what they get; companies are failing to live up to these expectations and are not delivering this right now. People are also thinking about their future careers and the kind of company they are working for.

40% of people **leave** their jobs for a **change of career direction.**

33% will be **triggered** to leave **by a change in company culture**

If you think your team is stable, think again. A majority of the workforce is looking to leave their company in the next year with many already looking. **55%** of respondents will start **looking for a job in a year or less.** 21% are currently looking, **21% will be looking in 6 months.**



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Job satisfaction in financial services

A true picture of where we are right now

Enjoying the work you do, feeling challenged, respected and valued are among the things which make the difference between having a great career that's going places or feeling you are stagnating in your role.

Asset management, fintech and the wider financial services industry are dynamic and exciting places to work. Factors such as regulation, Brexit and technology are creating pressure points.

Professionals and organisations need to always be working at peak performance; which means sustaining a productive and stable workforce.

The AlgoMe Career Satisfaction Benchmark seeks to uncover a true picture of where we are right now and how to overcome the challenges we face as individuals, companies and the wider industry.



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Supporting the UK economy

According to the Investment Association latest industry survey the asset management industry directly employed 37,700 individuals at the end of 2016.

As we can see from the figures below, asset management, fintech and the wider financial and insurance services are delivering billions to the UK economy.

Supporting the UK economy



Source: theinvestmentassociation.org

**£20
BILLION+**

Estimated size of the UK Fintech market is in the region of £20bn in annual revenue and growing

Source: UK T&I

**£6
TRILLION**

With £6 trillion of assets under management, the UK is one of the world's leading investment centres

Source: The Investment Association

**£124.2
BILLION**

In 2016, financial and insurance services contributed £124.2 billion in gross value added (GVA) to the UK economy. There are over one million jobs in the financial and insurance sector (3.1% of all UK jobs)

Source: Parliamentary Briefing Paper 6193

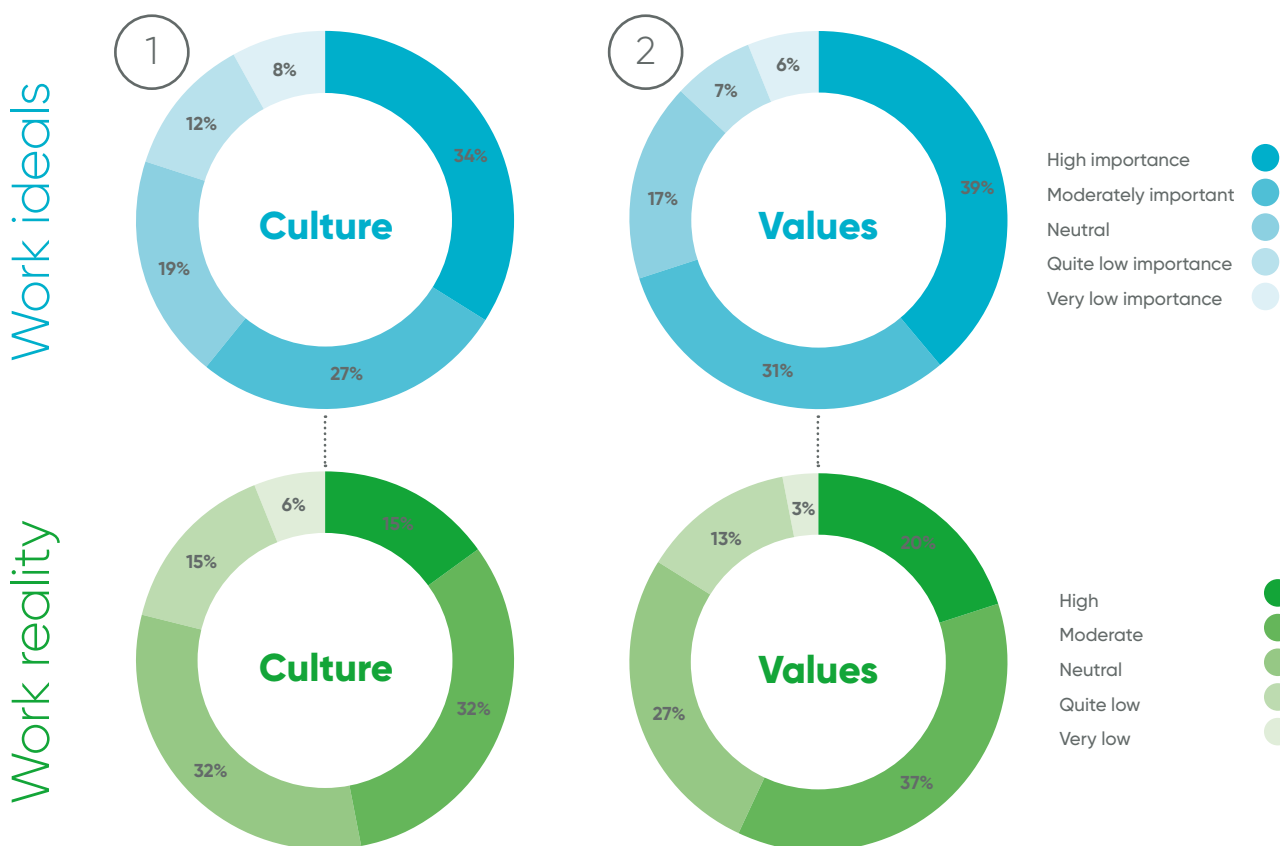
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Work ideals v work reality – an industry at risk

AlgoMe sees Culture, Values, Quality of Working Environment, Technology and Innovation as the five key pillars of an organisation. We explored these by asking our survey respondents what the work ideal for them is and how it stacks up against the reality. Across the board people do not generally believe companies are delivering highly against these ideals. Only one fifth (20%) believe the companies are delivering highly on Values and only 13% on Innovation.

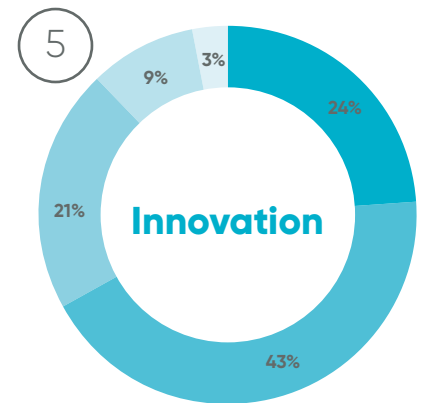
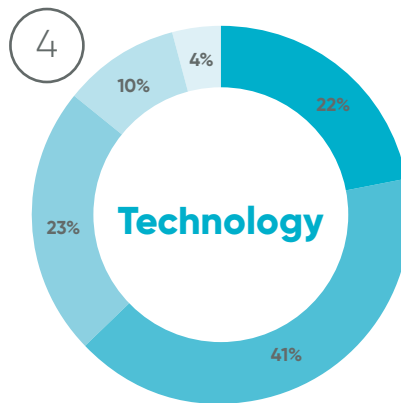
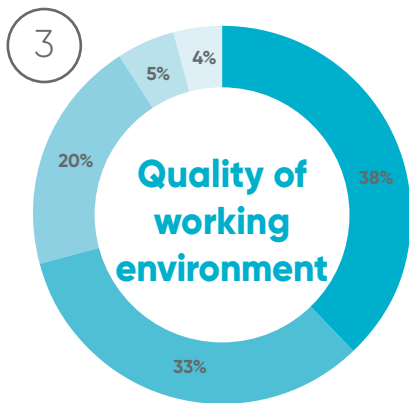
39% scored Values as the most important ideal they buy into and only 20% rated this highly in reality. Similarly Quality of Working Environment scored 38% as a top ideal but only 15% in reality. Culture as an ideal rated at 34% but is delivering at 15% in reality.



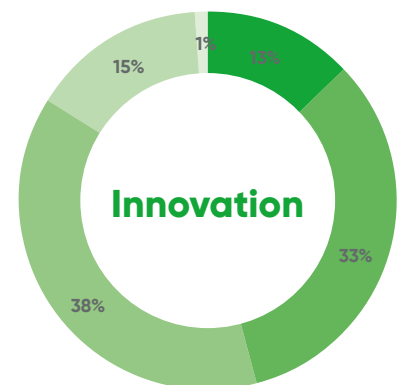
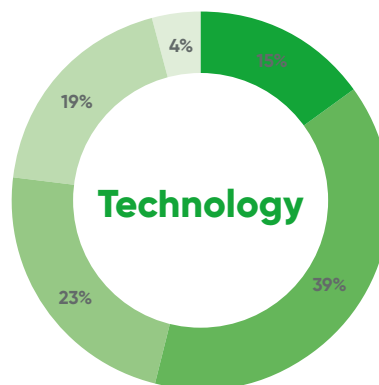
Work ideals v work reality – an industry at risk

continued

Work ideals



Work reality



“Does the industry have a problem? We think so. We’ve identified a major gap in what people are looking for in the companies they work for and what the reality offered to them is. This puts the workforce in a perilous position - as people will look for a new role in another company or possibly even other industry, leaving the company and asset management industry with a skills and resource gap. Conversely, companies which are able to offer these three ideals will attract applicants but they must be able to live up to the promise”

Luuk Jacobs, COO, AlgoMe

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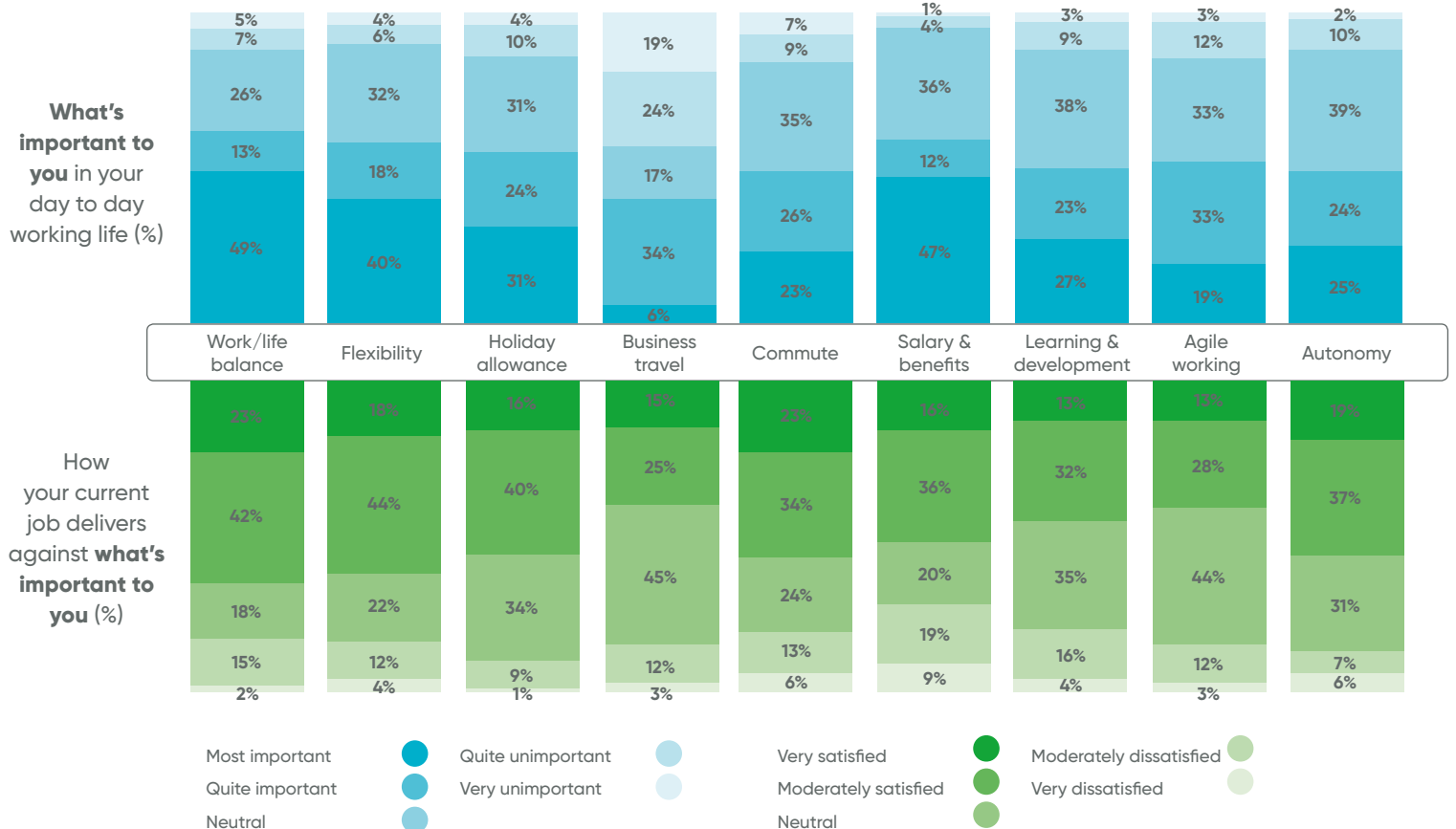


Life at work – what's important?

At AlgoMe we have identified a composite of nine areas which make up day to day working life. We know people use these as a measure of satisfaction and our findings on what people find important were much in line with what we anticipated but there is a big disparity between these ideals and what is being offered in reality. Good work life balance, flexibility and salary and benefits are all important factors which contribute to job satisfaction..

These requirements are only being met to a moderate level in the real world which could be storing up problems for the future. Business travel and commuting were not seen as a priority and agile working and autonomy both rate very low.

"The good news is the industry is meeting the practical needs of professionals giving them the basic building blocks for a good career and lifestyle but this report card definitely shows there is room for improvement. Work/life balance and flexibility should top the agenda for any company wishing to meet the needs of employees."
 Rob Carter, CEO, AlgoMe



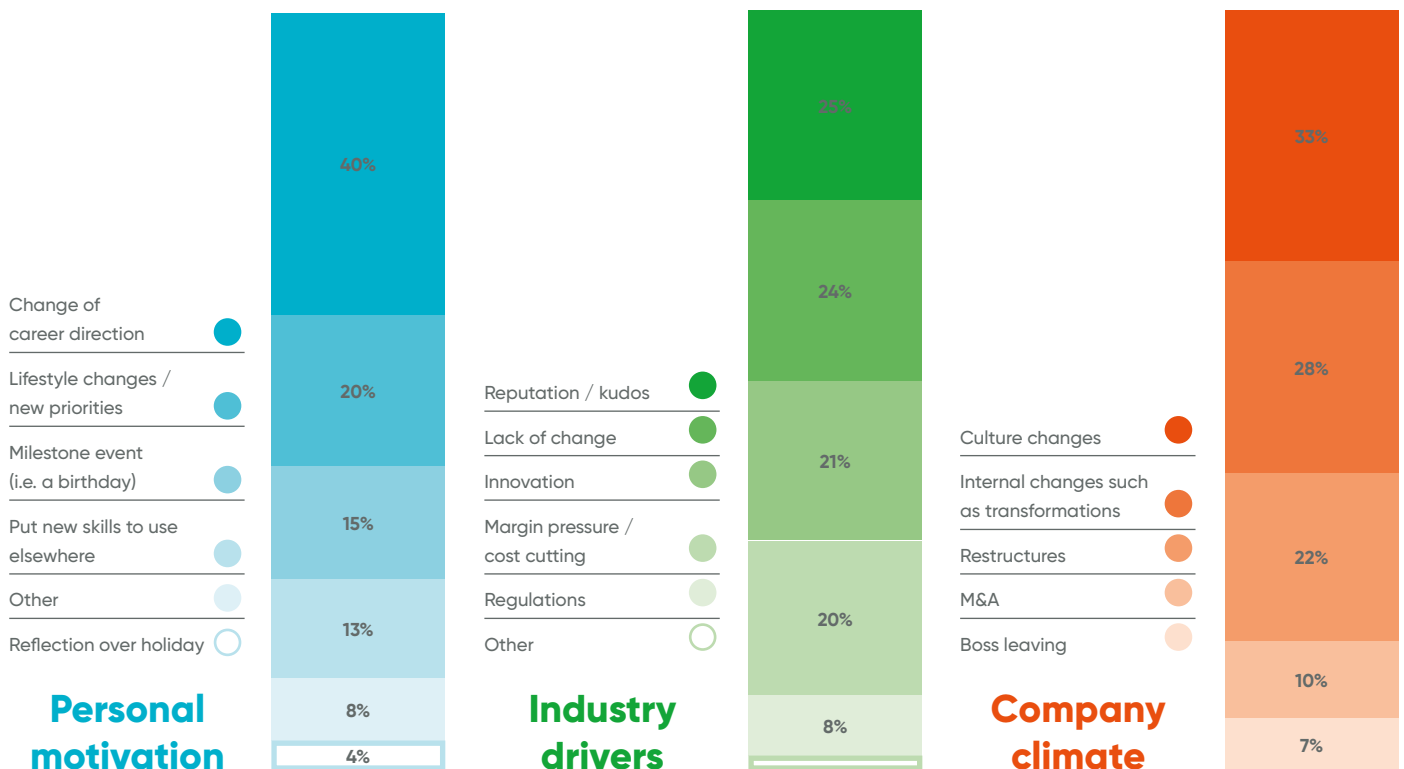
Key triggers to start looking for a new role

The Organisation for Economic Co-operation and Development (OECD) has stated that work has obvious economic benefits, but having a job also helps individuals stay connected with society, build self-esteem, and develop skills and competencies. In the UK, 73% of the adult population is employed, whereas the global average is 68%. Companies benefit greatly from a stable and happy workforce so we wanted to find out why people would leave their jobs and look for another one. The AlgoMe Career Satisfaction Benchmark Survey has identified a number of triggers which move people into job seeking mode; these span personal reasons, industry drivers and company climate.

40% are motivated personally to look for a new role by a change in career direction, while 25% are driven by industry reputation or kudos and 33% by the climate of culture change within their organisation. These triggers should be on the radar of management who want to retain talent. Putting in place contingency measures to accommodate these periods of uncertainty will create a much needed buffer.

"Managers and HR professional can use exit surveys or staff attitude to help them understand why people leave businesses. However, there are many reasons which create a complex landscape to navigate, being aware of these trigger moments means management can concentrate on strategies which help stabilise people and keep them within the company."

Luuk Jacobs, COO, AlgoMe



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Is your workforce stable?

At any given time, your workforce will be on the move and actively seeking a new role elsewhere. As well as ensuring you have the pipeline to manage turnover, there are other business critical and practical considerations.

The most surprising statistics we uncovered during our research was that 55% of respondents are either actively looking or thinking of changing jobs within the next year. According the latest Human Capital Benchmarking Report, the average churn rate is around 19% which indicates there is work to be done in giving people compelling reasons to remain in their current roles.

According to the CIPD: employers need to be aware of employee turnover rates in their organisation, and understand how these affect the organisation's performance and ability to achieve its strategic goals. Depending on the size of the business, an appreciation of the levels of turnover across occupations, locations and particular groups of employees (such as identified high performers) can help inform a comprehensive resourcing strategy.



Employees will start looking for a new role in...



"If over half of your workforce is planning to head out of the door in the next year, this has major implications for business performance. Managers and HR teams need regular reviews with their teams to keep individuals engaged and on side"

Rob Carter, CEO, AlgoMe

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The Importance of mentoring

Our survey found **86% believe mentoring is important to their careers**. While mentoring has its historical roots in Greek mythology and has become a bedrock of the business world when helping people move towards their career goals. It's hugely important to our industry too.

According to the 2016 Deloitte Millennial Survey, **63% of millennials say their leadership skills are not being fully developed**, and they see mentoring as a way to help them grow further. The survey also found that **those intending to stay** with their organization for more than five years are **twice as likely to have a mentor** (68%), than not (32%).

We found people put a big value on mentoring and one respondent made a very interesting comment which summarised the overall sentiment: "One thing that's most important to me in my career is working for the right person who has the right professional attitude for dealing with people and for mentoring and ensuring growth of their juniors."

When senior managers nurture people who are new to companies or careers, it creates a virtuous cycle. The industry is crying out for mentoring – this helps keep people secure in their roles too.



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AlgoMe Career Satisfaction Benchmark

Key take outs & learnings



Employee retention

Aim to get your turnover benchmark closer to a percentage you as a company aim for

Create a structured programme of employee engagement to stabilise your workforce

Ensure you have an adequate pipeline of identified talent to replace leavers



Understand the triggers for leaving

Be mindful of why people start looking for another role; prepare for this and mitigate the risk by increasing engagement and putting the right retention measures in place

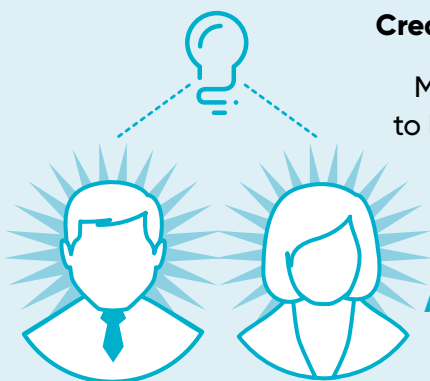
Don't wait for an exit interview, hold regular feedback sessions and start to benchmark job satisfaction rates
Develop a culture of openness to keep on top of this and intervene when needed



Get the basics right Good work/life balance Flexibility, Salary & Benefits

You might think it is all about being innovative, agile and modern, but ultimately it all starts with getting the basics right, even for our appr. 50% millennials or younger in the survey

Get these right



Create a mentoring culture

Mentoring is a great way to keep your teams secure and create the virtuous circle of knowledge

When you register on AlgoMe you can choose to be matched to a mentor or a mentee

Know what's important Culture, values & quality of working environment

These are the three most desired attributes of the ideal job

Getting this in place will attract the best talent



Demographics

Who are our respondents?

AlgoMe Career Satisfaction Benchmark Survey participants were drawn from professionals in the wealth management, fintech and wider financial services industries.

The survey took place in July 2017.

Respondents were split across various levels including Entry Level, Intermediate, Middle Management and Owner/Executive/C-Level and from private and publicly listed companies.

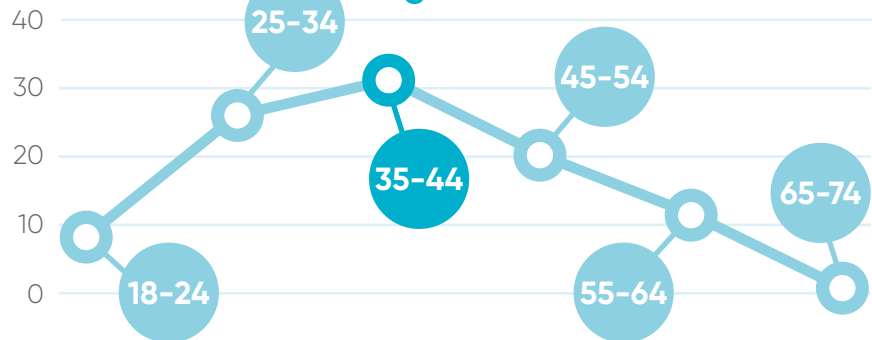
Gender (%)



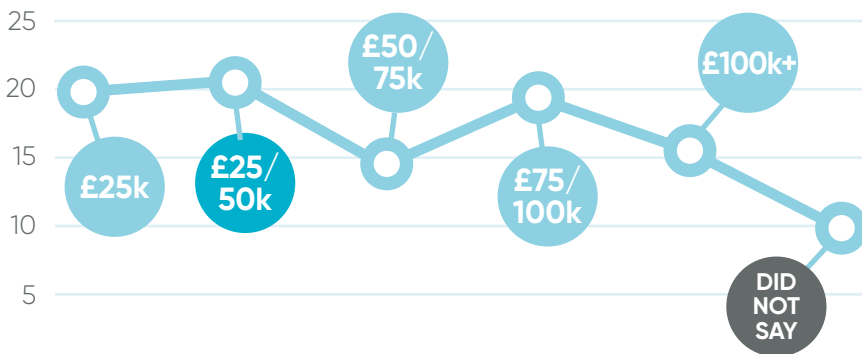
52

48

Age (%)



Income (%)



Location



ALGO ME



AlgoMe Founders

An overview of the driving force behind AlgoMe



Rob Carter, CEO AlgoMe

We hope you have enjoyed reading the AlgoMe Career Satisfaction Benchmark 2017 report. Whether you are an employer or employee, there are some interesting themes we've explored. Enjoying your time at work now and in the future is the reason why we set up AlgoMe. We think professionals who aim high deserve to have their ambitions met by the organisations they work for.

Luuk Jacobs, COO AlgoMe

We are very pleased to share with you the results of our research. We've included some directional advice for professionals and management to augment the insights and data. In the UK, Asset Management makes a major contribution to the financial services industry and the economy as a whole which is why we believe everyone should be given the opportunity to make the best of their careers and support each other.



London

41 Corsham Street
London
N1 6DR
United Kingdom

Paris

14 Rue de la Beaune
Montreuil, Paris
93100
France

Online

www.algome.com
blog.algome.com
support@algome.com
sales@algome.com

Social media

Twitter @ThisIsAlgoMe
LinkedIn [linkedin.com/company/algome](https://www.linkedin.com/company/algome)
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