

## Hedgies Adding Headcount

By Steven Marlin, Reporter

Hedge funds are hiring, but the process is taking much longer than two years ago, Bob Olman, president of Alpha Search Advisory Partners, told Markets Media.

High-frequency traders are in hot demand, as are investment professionals in global macro, distressed debt, long/short equity, commodities (especially financial futures, energy and power) and equity-linked energy (mining, processing, transport, and distribution).

The hiring trend is taking place at independently run hedge funds as well as those that are subsidiaries of larger asset management companies. "Financial institutions always move in packs," said Olman.

It's taking three to four months for firms to pull the trigger on senior staff level positions. "Even at the reference check stage, there's no certainty that you'll receive an offer," Olman said. "The firm may rethink the position and debate how senior or junior a person they want, and whether they want someone who's a specialist versus a generalist. It's very different from two years ago, when positions were extremely well-defined."

The good news is that they're hiring, signaling a turnaround from the freeze that took hold as the markets caved in last year. Hiring is taking place across the board at hedge funds, including back office, investor relations, legal, portfolio managers and marketers.

"It's a 180-degree turnaround from June and July, although there still won't be enough jobs for all the financial services workers that have been laid off," Olman said. "We're not going to see the same staffing levels that we had in early 2008 for quite some time."

Starting salaries are about 25 percent below the peak of late 2007 and early 2008, "We're seeing a trend away from formulaic payouts toward discretionary payouts," said Olman. "Firms are looking to put company profitability into the payout. If individual portfolio managers do well but the firm as a whole does not, it will be reflected in their compensation."