

HEDGE FUND JOB SEEKERS CHOOSE STABILITY OVER PAY

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Bailey McCann, Opalesque New York:

A new hiring trend in hedge funds is emerging in the wake of the ongoing economic crisis - job seekers are choosing stability over pay. Many are also looking for work at hedge funds for the first time. **Beaten down by layoffs and collapses, financial job seekers are more willing now to take lateral moves or less money if it means a steady career trajectory according to my interview with Robert Olman, managing director, Alpha Search Advisory Partners, a US-based hedge fund recruiting and advisory firm.**

"For the first time in recent memory, pay is taking a backseat to job stability. With major banks dissolving business units and mandates of Dodd-Frank yet to be rolled out, managers, analysts and others see more security and upside in hedge funds," Olman explains.

The new realities of the job market for financial professionals have created a 'priority list,' for job seekers making them less risk averse. This trend is also true for funds and banks in their hiring choices. New hires often have more diverse skill sets, longer track records and are of a higher caliber than those that have previously made it through the hiring process.

Hiring resources are going to new areas including investor relations, marketing and client services. **"Investor demand for more information and transparency has increased the amount of resources organizations are putting into these areas. Not just to attract new investors but also to retain existing ones," Olman says.**

Not only are resources finding their way to these departments, the profile of professionals being hired to these positions is changing. **"Funds and investors want someone in these positions who can be a subject matter expert, who has technical expertise and granular knowledge of the investments and can communicate that to investors in the way that they need," he said.**

As a result, individuals with trading backgrounds, quant backgrounds, or technical backgrounds are taking jobs in investor relations at a much higher rate. New position types are also becoming part of the equation, with the growth of roles such as product specialist.

"A product specialist is not pure marketing or pure investor relations, they often answer more technical questions. Before, there used to be about 200 positions for this, now there are about 500 positions because the demand is there," Olman explains.

Risk management departments are also undergoing a significant shift as managers and investors increasingly focus on risk both operationally and in the portfolio. **"Losses from operational error are hurting many hedge funds; the chief risk officer of one fund recently told me that most of their losses came from operations, not trading. Many funds, especially in the \$4-10 billion AuM range, are building out their risk teams with operational-focused staff that can help tighten a firm's reporting and P&L framework."**

As a result, the hiring profile for risk departments is turning more toward individuals with both quantitative and qualitative backgrounds. **"It used to be that funds would say they want heavy quant candidates for risk, but they're starting to look at more qualitative factors as well and they have to," Olman says.**

Funds are taking advantage of a deep pool of recently laid off talent to fill these slots. **Olman notes that for organizations that have been through three rounds of layoffs, they've had to cut some of their best people - creating an opportunity for funds looking to get quality talent, priced right.**

"In 2012, firms are focused on raising the bar in terms of who they are willing to onboard and the caliber of people they want in their firms. It's being driven by the growing maturity and institutionalization of the industry and I expect it will continue," Olman said.

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Alpha Search Advisory Partners (ASAP) is a human capital services firm specializing in sourcing top-tier investment professionals, team integrations and firm acquisitions. Our focus is on hedge funds, CTAs, Private Equity and the broader alternative investment community. We have provided executive search consultancy and advisory services for over 20 years.