

Focus turns on top financial talent

Sector leaders would do well to poach talent while it's cheap and readily available, writes Dermot Corrigan.

The last six months have seen a good deal of turmoil in the financial services sector at home and abroad, with the full fall-out from last year's credit crunch and sub-prime controversies still unclear.

Given the current uncertainty, it is not surprising that some of the indigenous and multinational organisations operating in Ireland's financial services sector have stopped hiring for lower and mid-level positions.

At the senior end of the scale, where Ireland's search and selection agencies operate, word on the street is that the market is also slowing, with employers opting for longer 'lead-ins' to final hire.

However, according to John C Harty, managing director, <John Harty & Associates, the spate of hiring freezes, impacting on job prospects for financial services candidates, is merely a temporary measure.

"Senior appointments on the whole are not really being affected," Harty said. "We have found we are picking up more executive search assignments, where previously a number of agencies may have been given an opportunity to attempt to fill the roles first. The reason for this is that the organisations tend to look for executives with high-level expertise and a search process will guarantee them the result of finding such high-calibre individuals."

Carl Brogan, partner with Paragon Search & Selection, an executive recruiter specialising in financial roles, said forward-thinking employers could take advantage of redundancies in the international

market to snap up newly available talent at an affordable rate.

"The biggest casualties have been in New York and London, which can be an advantage to us here in Ireland," Brogan said. "There are some amazing candidates who could slot into roles here."

Harty said concern over the impact of recent stock market instability on jobs in the sector had been exaggerated.

"For many years, you could not have a conversation in a public house without property being discussed," Harty said. "In recent months, all we are hearing are stock market conversations. One must remember that stock markets are cyclical and stock values will certainly re-emerge in the future."

"Are senior figures in affected financial services organisations worried? Of course they are: most of them hold ample volumes of shares in their employer organisations. Will they lose their jobs? Probably not, but the most prudent organisations will look to add talent, with experience of similar market-leveiling in other countries. Experience and learning from past mistakes is crucial to continued success."

Stephen Kennedy, managing director, Talent Partners, said there had been a general slowdown in executive-level recruitment in the financial services sector across the country, with many companies streamlining their internal resources rather than expanding.

"The level of recruitment at the senior level has definitely slowed down," Kennedy said. "Companies that had previously communicated growth plans for 2008, are now being more cautious and have slowed down or put on hold their recruitment programmes."

For the best candidates, difficult times provide opportunity to prove their mettle

"The level of recruitment activity across the financial services marketplace today, is not as high as 12 months ago. The primary focus now is in the utilisation of resources - doing more with less - and being leaner and meaner where possible."

Harty said he expected the second half of the year to be much busier than the first six months, with candidates who felt they were not being rewarded sufficiently in their current roles looking to find new jobs.

"Once we get towards the end of the second quarter of this year, the market should get very active," he said. "Executives not receiving the bonus level of 2006, will

be on the move, stimulating the senior jobs market further."

Kennedy was less optimistic. For the remainder of the year, he said, the financial services employers hiring to fill senior-level positions, would do so only where necessary.

"I think companies are feeling their way through the changing business environment at present and external recruitment is only taking place where essential," he said. "I believe that the rest of the second and third quarter of the year will not match the activity levels of 2007."

Skills and sectors

Brogan said: "As a result of the credit crunch, there has been a huge focus on risk and compliance roles."

Harty said wealth management roles were relatively plentiful in the current market, given the need for clever portfolio management in line with changing market trends.

"The wealth management sector has grown dramatically and looks to continue to grow over the next few years significantly," he said. "There has been a huge growth of individual wealth in the Irish marketplace."

"These ultra high net-worth individuals have become more savvy and astute. Hence, you need the type of private-client wealth manager who has the ability to deal with such investors."

"What the key players need to do in this sector, is make a serious investment in talent to attract the top tier of clients. If you do not have the highest calibre of executives to front your business, how can one expect to attract the top tier of clients?"

In other areas of the market, however, there is little movement among candidates. Worst hit by the credit crunch, Brogan said, were the securities and bonds traders - a trend reflected by the lack of movement at the senior end of the market.

"Anything related to fixed income is a little bit unsure the roles at a senior level in the bond market certainly would not be there," he said. "There have been some casualties and some companies have lost people, but Dublin has been pretty sheltered."

Trends among candidates

Kennedy said candidates tended to avoid moving jobs when there was general uncertainty in the market. As the market slowed, he said, positions offering greater security naturally became more attractive.

"Candidates do become more cautious as the market slows down and there is more due diligence carried out by both the client and the candidate," said Kennedy. "For people to move at times like this, security of the role and company becomes a primary issue."

Despite the slowdown in the market, Harty said ambitious executives, accustomed to the accelerated 'boom-time' economy, would be less likely to hold steady in their current positions, waiting for business to pickup.

"Given that a lot of organisations are acting more prudently, the top executive - who is serious about his or her career - will be attracted to organisations that are still on a growth path," Harty said.

Kennedy said that, for the very best candidates, difficult times provided opportunity to prove their mettle. "For many senior executives, it will be their first time to be working in such a climate and it is certainly going to be a test of their character, mettle and business acumen," he said. "Companies learn a lot about potential leaders at times like this and it can be a great time for new talent to rise to the top."

Future expectations

In international circles, Brogan said, many accomplished candidates in financial services regarded Dublin as a relatively attractive location.

"There is still a shortage of labour supply in many areas," he said. "We see a lot of candidates from Italy and France, who are more than happy to come to Ireland if the right level of role is there for them."

Brogan said the recent tax law change in Britain earlier this month - introducing a hefty new stg£30,000 annual fee for foreigners living in the country for more than seven years and paying tax elsewhere - would make Ireland a more attractive location for some candidates based in Britain.

He added: "Traditionally, Ireland was seen as a strong

back-office player, but there has been a lot more front-office activity over the last five years. Senior candidates, coming back from abroad, have added value to the Irish financial services sector, and these guys are influencing institutions they are going into now, which is bringing more senior value added jobs to Dublin."

As the economy begins to strengthen again, Harty said, the financial services sector in Ireland will be well-positioned for strong growth well into the future.

"Global market downturns do not tend to affect Ireland to the same negative magnitude as the positive magnitude when the global economy is doing well" he said. "We are an entrepreneurial economy that can look to emerge markets readily for investment growth."

"If the Irish market can remain competitive over the next two years, then we will be positioned very well for the next growth phase after this leveling off period."



Stephen Kennedy, managing director, Talent Partners

