

The last few months have been particularly turbulent for the global financial services market. The near collapse of British mortgage lender Northern Rock ended Matt Ridley's time as chairman, while Citibank chairman and chief executive Charles Prince and Merrill Lynch chief executive Stanley O'Neal were also replaced in the wake of the sub-prime disaster.

Many Irish financial institutions, as well as international organisations with operations here, operate in the global securitisation market hit by the 'credit-crunch'.

Stephen Kennedy, managing director of Talent Partners, said that senior figures in Irish financial circles were facing a difficult time. "These are professional organisations and people need to deliver," he said. "Business is business, so if the present people cannot cut it, they are in trouble."

"A lot depends on how things ultimately pan out. I think this year, bonuses might not be as generous as they have been over the last two or three years. A little bit of a shake-out is taking place," said Kennedy.

Gerard McDonough, senior manager, Executive Resourcing, PricewaterhouseCoopers, said the effects of the global credit-crunch were not immediately apparent.

"The IFSC is not going to take a massive hit immediately, but people will feel it," said McDonough. "It is maybe more of a freeze rather than letting people go. I think there is a 'watch this space' feeling."

Tight market

The instability comes at a time when the labour market in the financial services sector in Ireland is tight, especially at senior management level.

"The Irish talent pool is not huge," said Kennedy. "In the financial services marketplace there are about 22,000 people employed. If you are looking at the top ten per cent of those, you only have about 2,000 people to play with."

Kennedy pointed to an organisation that had considered setting up an operation in Dublin recently, before deciding against the move.

"Hanover Re were thinking of moving into Ireland but they felt the talent pool was not there," said Kennedy. "Everything else was great, including the favourable tax regime, but a few other insurance companies had recently come into Ireland and they were all fishing in the same pool."

Recent recruits

Despite the current uncertainty, the last few months have seen a number of international and Irish financial services organisations appointing new people to senior roles.

In September, Merrill Lynch set up a funds and pen-

sion management operation in Dublin. Equity specialist Richard Dunn joined from Oppenheim Investment Managers to head the new office. Dunn was previously head of international equities at Irish Life Investment Managers and had also worked for Merrill Lynch in New York and Tokyo.

Maeve Corr and Michael Durcan joined Dunn in the new Merrill Lynch operation as financial advisors. Corr was previously director of Deloitte Pensions & Investments, while Durcan moved across from Merrill Lynch's Global Markets and Investment Banking group in Dublin, where he had worked since 2005.

Also in September, National Irish Bank appointed Garvan Callan as its new head of wealth management. Callan was previously director of wealth management at Ulster Bank.

In July, BNP Paribas Securities Services appointed Paul Daly as head of location in Ireland. Daly had been head of sales and relationship management with the company in Ireland since February 2001.

He replaced Frank Roden, who moved to Luxembourg, taking over as the company's global product head for transfer agency and retail. Peter Townsend was appointed as head of operations for BNP Paribas Fund Services in Dublin, following a six-year stint as vice-president of implementation management at BISYS Hedge Fund Services in Bermuda.

Market trends

McDonough said international organisations setting up an office in Ireland tended to bring in their own people to head the operations.

"The individuals heading up their organisations here are taken from Milan or Frankfurt, particularly when they are bedding their organisation," he said. "As organisations grow and cement their presence here, there are opportunities, but not so many as at junior levels."

Stephen Brady, manager with Broadreach, said the first step for most financial services organisations when filling senior management roles was to look internally.

"Whether you are a five-man band or a large multinational, it is natural to ask whether we have the resources to fill this internally first," said Brady. "Larger businesses will have procedures where the role needs to be opened up to internal applicants for a set period of time before looking externally."

Kennedy said some organisations proactively look to take talent from competitors or smaller organisations. "Word gets back to the chief executive or the head of HR that 'Joe Bloggs' is very impressive," he said. "There might be a conversation, or maybe a phone call from the chief executive directly, particularly with senior

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level appointments."

McDonough said some organisations used executive search consultants to ensure the process was as open as possible. "Coming with a list of names happens, but people want to have transparency in the process," he said. "They want to ensure that every stone is turned over."

Kennedy said the shortage of available talent with high-level management experience meant that candidates who impress in mid-level management roles can expect interest from competitors and executive recruiters on the lookout for talent.

"Executive search consultants would constantly be keeping an eye out for emerging talent," said Kennedy. "Headhunt calls work, as long as they are done properly. It is a professional dialogue and you are speaking to somebody in a very specific confidential manner. You can ask them how they are getting on in their present position and how open they are to new opportunities."

Brady said employers were increasingly looking abroad to fill senior roles. "We are looking to Luxembourg, Bermuda and other markets where there is a funds admin sector," he said. "It would be a mix of both Irish people and foreigners coming in."

Kennedy said that candidates frustrated at slow career progression often put feelers out to see what opportunities might be available. "Candidates have a certain image of what they want to be, and if they cannot achieve that at their present company, they will go elsewhere," he said.

Pay & perks

Kennedy said that demand for suitable executive candidates to fill positions in a tight market was driving salaries upwards. "When people move, they expect to see an increase in their salary," he said. "Salary increases could be 15 to 20 per cent and even exceed that. It depends on what the indivi-

dual can bring and how much the company wants that specific person."

Performance-related bonuses are also a way of incentivising leaders. For example, Bank of Ireland chief executive Brian Goggin took home a reported performance bonus of €2.03 million last year, after a 28 per cent jump in the bank's pre-tax profits. This took his total salary to a reported €3.99 million.

Brady said most candidates looked for stock options. "You will always have to put a strong offer on the table, and equity will come into play," he said. "These people are ambitious, for their career, but also to further their own personal circumstances."

Brady said money was not the only concern for most senior managers. "Things that make a difference are a good work environment and business culture, a motivating, inspirational manager or a good team to work with," he said.

Research carried out by Talent Partners found that over 50 per cent of Irish companies had lost a high-performer in the last year. "The cost to each company of the loss of the high performer in question averaged €237,000," said Kennedy. "For a number of companies, the figure was in the millions. Companies do not want senior people to leave and counter of-

industry VIEWS

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fers can certainly happen."

Kennedy said senior managers in the financial services sector needed to be able to inspire the teams they are leading. "The more senior you go, it's more about your leadership and management," he said.

McDonough said many employers looking to fill managerial positions in the financial services sector required international experience.

"A lot of their clients and customers are not domiciled here, even if they are carrying

out some of their activities from here, so that understanding and appreciation for international markets is absolutely crucial," he said.

Brady said a thorough knowledge of the potential employer's market was also vital.

"At senior level, I have yet to see a client who has said we will look at people with strong management experience from outside the sector," said Brady. "Clients are looking for people with specific market experience."