

Firms should fill top posts from within: banker

Talent development conference also discusses pay gaps in finance sector

By **CHOW PENN NEE**

CONTRARY to the practice of looking outside an organisation for skilled employees, the development of future leaders should come from within, said DBS new chief executive Richard Stanley.

At a conference on talent development for financial institutions, organised by the Institute of Banking and Finance yesterday, he said that companies should build a culture of promoting from within the company. Internal employees must feel they have an edge over outsiders when it comes to securing senior management positions, he said.

"If there are job openings internally, staff must know they have a better shot at the job rather than it being filled from the outside," he told the audience comprising chief executives of local and foreign banks, and human resource executives.

"The bulk of senior management must be home-grown," he said. "We have to find good people, ring fence them," he added.

Mr Stanley was plucked from Citibank to take up the top post, after former



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Stretch and push: Mr Stanley says staff must continually be challenged, kept interested in their work

DBS CEO Jackson Tai left. In the past few months, DBS has seen a few of its senior managers leave, sparking rumours that Mr Stanley will bring some of his ex-colleagues over from Citibank to fill the void.

To develop skilled staff, Mr Stanley also said employees must constantly be challenged and be kept interested in their work, so as not feel bored or stagnant. "You must stretch and push them, to ensure that people do not get bored and become stagnant."

He related how he was given opportunities in Citibank to try different things and work in different countries, which enabled him to stay in Citibank for 27 years.

During the conference, David Conner, chief executive of OCBC bank, also pointed out that remuneration in financial services is "inherently unfair", for instance, traders making much more than people in operations.

He said those who are typically paid the most, sometimes did not earn as much for the bank as others who were paid less, but earned more for the bank.

The solution, said David Wong, chief executive of ABN Amro bank – who mediated the panel discussions – is to close the gap in pay between people who take risks and people who are responsible for managing these risks.

"The incentive structure has to change," said Mr Wong, adding that companies have to look at paying fund managers and people in risk management nearly the same amount.

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