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Job news & views

Hiring boom over in private banking

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Private banking in Hong Kong and Singapore isn't the jobs factory it once was. Uncertainty has crept into the industry, and the question now is whether headcount can stay steady or whether layoffs will create an overall fall in employment.

John Koh, managing director at search firm WMRC Private Ltd, expects sector-wide headcount to stay fairly stable over the new few quarters. Andrew Price, a director at Global Search Partners, thinks the number of people cut will be small.

The hiring and firing picture is mixed and largely depends on the health of individual firms. UBS and Standard Chartered still have Asian vacancies in wealth management, even though both banks have also been making selective redundancies in the region.

US private banks in Asia, with the exception of JPMorgan, are naturally not in job-creation mode, and some staff are looking for their own way out. One recruiter, who asked not to be named, says he is "swamped with Merrill Lynch CVs".

And it's not just bankers who want to jump ship – their clients are restless, too. Koh explains: "Private bankers at firms badly affected by the credit crunch are looking to move because their clients are not comfortable. They've lost confidence and want to put their money in a more stable bank."

But whichever firm you are working for, the job of a private banker has got a whole lot tougher. The financial crisis has reduced the holdings of high-net-worth clients, making revenue generation even harder for bankers and putting them under increased pressure to avoid being axed for low performance, adds Koh.

Private banks have different approaches to assessing who to cut. The Swiss tend to pay high base salaries, with more focus on assets under management and less on revenue. Goldman Sachs, by contrast, usually pays next to nothing in base and rewards private bankers with a big slice (usually 20-25%) of the previous quarter's revenue.