

Banks Speeding Asia Promotions Doubles Rate of Pay Raises: Jobs

By Sharon Chen Dec 12, 2013 6:00 AM GMT+0800



Photographer: Nicky Loh/Bloomberg

Banks and companies across Asia are putting local employees on a fast track to senior roles to counter a dearth of management expertise in the region and to deter staff from being poached by rivals.

Ang Eng Siong, 33, has been promoted every year since he completed Oversea-Chinese Banking Corp. (OCBC)'s management associate program in 2010, when he was put in charge of two older, higher-ranked colleagues.

"My team members were all a lot more experienced in that particular role," said Ang, now a vice-president of corporate treasury in Singapore under the chief financial officer. "An opportunity to manage an important project would be rare so they wanted just to give me the exposure."

Banks and companies across Asia are putting local employees like Ang on a fast track to senior roles to counter a dearth of management expertise in the region and to deter staff from being poached by rivals. Samsung Electronics Co. Ltd. (005930) opened its first leadership academy outside of Korea in Singapore in October, following companies from OCBC to Unilever Plc. that have spent millions on training institutes in the region.

"Talent is in short supply and secondly businesses are growing faster than people can grow," said John Nolan, Singapore-based senior vice president of human resources for global markets at Unilever. "One way to fill that talent shortage is to accelerate the rate of readiness of your people." He said the company's philosophy is to try to promote

employees in emerging markets faster than the five to six years it takes globally to move up a level.



Photographer: Munshi Ahmed/Bloomberg

Four Acres, Unilever Plc's first leadership development center outside the U.K., in Singapore.

The quicker advancements also mean faster salary increases. Pay for banks' risk and compliance officers in Singapore and Hong Kong rose at about twice the pace of similar positions in New York and London this year amid a shortage of skilled staff, according to Menlo Park, California-based recruitment company Robert Half International Inc.

Faster Promotions

Unilever's 50-million euro (\$69 million) Four Acres training institute in Singapore, which opened in June, has a swimming pool, tennis courts and colonial-style bungalows to house employees selected for the acceleration programs. OCBC spent S\$60 million (\$48 million) on its campus, which opened in the city's central business district in April.

UBS AG announced its first Wealth Management Master program in Asia-Pacific in August with an initial intake including 22 senior client-facing staff from Hong Kong and Singapore, the bank said in a statement.

Samsung's Singapore leadership academy is needed to groom leaders who can develop customized, locally-relevant products and communication plans, Southeast Asia president KK Park said in a statement. The institute aims to deliver more than 70 courses through partnerships with colleges such as National University of Singapore and Harvard Business School, based in Cambridge, Massachusetts.



Photographer: Munshi Ahmed/Bloomberg

Oversea-Chinese Banking Corp.'s management associate program has a retention rate of more than 70 percent and it takes graduates who perform well one to two years to move up a level, according to Cassandra Cheng, head of learning and development at the bank.

Retention Strategy

"There's an expectation that you're part of the batch that will be promoted to the next level faster than the rest," Rob Hango-Zada, Unilever's head of shopper marketing for Australia and New Zealand, said while in Singapore for a training session.

"It does become very challenging when your direct reports are older than you because you've got a very big barrier to overcome in terms of proving your capability," said Hango-Zada, 29, who joined Unilever last year from Procter & Gamble Co. (PG)

In Asia, the Western timetable of giving a leader three to five years for certain job steps is often collapsed into less than one year, according to a June report by the Conference Board and Right Management, a unit of Milwaukee, Wisconsin-based ManpowerGroup Inc. The report was based in part on a survey of more than 200 companies operating in Asia.

Rapid promotion of managers carries risks, said Ric Roi, Asia-Pacific head of Right Management, who has consulted with more than 80 global organizations on building leadership and human capital.



Publication: Bloomberg
Date: 12 December 2013
Headline: Banks speeding Asia promotions doubles rate of pay raises: Jobs

Not Tested

“There’s an assumption that you can do it in one to two years but we have not tested this out to see if the managers can actually do it,” Roi said. “They have to mature, they have to develop business judgment, integrity, competence, leadership in a very short period of time.”

Rapid promotion of younger staff can also cause problems among older, experienced employees if the goals aren’t planned and communicated clearly, said Darryl Parrant, managing director of Singapore-based Align HR Consulting.

“There are pros and cons,” Parrant said. “It’s important to demonstrate fairness so as not to create tension that can lead to an experienced worker leaving due to not being valued or promoted.”

Staff turnover in Asia suggests the rapid promotions may also be a retention strategy rather than an indication of role-readiness, the Conference Board and Right Management report said.

Talent Shortages

Talent shortages in Asia’s three largest economies -- China, India and Japan -- are worse this year compared with last year, according to a global survey by ManpowerGroup released on May 28. More than half of the almost 8,600 Asia-Pacific hiring managers surveyed said skill gaps are posing difficulties in hiring.

The number of financial services jobs may double in Beijing and grow by 60 percent in Mumbai from 2012 to 2025, according to data compiled by PricewaterhouseCoopers LLP.

OCBC’s management associate program has a retention rate of more than 70 percent and it takes graduates who perform well one to two years to move up a level, according to Cassandra Cheng, head of learning and development at the bank. Unilever has a global retention rate of about 94 percent, according to Nolan.

Companies are also under pressure to hire locally in Asia’s economies, where the unemployment rate in countries such as the Philippines and Indonesia is above 5 percent. Singapore in September widened measures to contain foreign-worker inflows to include professional jobs, responding to complaints that companies were hiring overseas talent at the expense of locals.



Publication: Bloomberg
Date: 12 December 2013
Headline: Banks speeding Asia promotions doubles rate of pay raises: Jobs

Pay Rise

"If Asian managers don't get opportunities to head the units at MNCs, the risks are high that this talent will get poached," said Annie Koh, an associate professor at Singapore Management University. "At the same time, you don't want to run the risks of putting someone at the top echelon when he or she is not ready."

Pay, excluding bonuses, for risk and compliance officers who changed jobs in banks' in Singapore and Hong Kong rose as much as 20 percent, compared with 10 percent in London and New York, Robert Half said. OCBC's Ang started in the bank's risk management department with the intention of moving on quickly.

"I wasn't looking for a job whereby I would stay in risk for four years, five years, till I changed jobs," said Ang. "Joining the bank was really a means to an end."

To contact the reporter on this story: Sharon Chen in Singapore at schen462@bloomberg.net

To contact the editor responsible for this story: Stephanie Phang at sphang@bloomberg.net