

# Banking on Talent in Asia

*Retaining the best talent has become a key challenge for many organisations.*

***Peter Lo**, Chief Country Officer of Hong Kong at Deutsche Bank, speaks to Criticaleye about how to attract and retain the highest performers with a tailor-made strategy*



## **What talent challenges are you currently facing in Hong Kong?**

Since the global financial crisis, growth in the banking business has declined. As a result, we are seeing a dramatic change when it comes to talent. Promotion and compensation have become more restricted, creating challenges around recruitment and retention of talent, particularly when it comes to younger generations.

These days, it's not unusual to see employees leaving the banking industry

altogether, because in the post-crisis environment opportunities are not as forthcoming. The younger generations are becoming disillusioned – they study hard, but their expectations aren't being met; they are not following the career paths they originally wanted.

## **Has this affected management styles?**

Previously, senior managers could be quite demanding of juniors and they would accept that because they knew they would be rewarded with promotion and compensation, but the situation is

different today. Now, we have to emphasise the 'soft' issues if we want to retain people. We have to show them we care; offer a better work/life balance, training, internal mobility, health programmes and flexible working hours.

## **How do you balance short-term needs with long-term talent development?**

Offering internal promotion, flexibility and a good work/life balance are important strategies for retaining employees. Over the longer-term, adopting a strategy of engaging with local universities and ►

focusing on retaining those candidates with Asian roots can work well.

Going to university or college campuses and giving career talks, sponsoring programmes and bringing potential candidates in at an early stage to explain what investment banking is all about, can be effective. It's a good way of identifying high-potential candidates. After attending these programmes candidates can be selected for internships, typically in their final year of university, and come back to the company after graduation.

Companies are unable to change overnight. There are areas where they may have to continue to borrow or buy talent. For example, there's huge universal demand for compliance expertise, whether it be in the U.S, Europe or Asia.

#### **How can organisations ensure future leaders have the necessary experience?**

Finding or equipping people with the right mix of international experience for truly global organisations can be a challenge. The key to success is finding the balance between managing short-term needs with developing employees to achieve long-term progress.

In one example, our bank identified a female staff member, originally from Hong Kong, who was working in our London office. She had gone to university in London and had plans to settle there. We recognised the value in her London experience as well as her roots in Asia, and when a suitable opportunity opened up in Hong Kong we approached her about it. We successfully [convinced] the candidate that relocating, after having worked in London for around eight years, would

*“Succession planning has to be robust, structured and tailor-made”*

support her long-term career progression. This was a great example of both long-term development and retention.

#### **What is best practice in terms of identifying future leaders?**

Identifying potential successors for senior positions is critical and succession planning has to be robust, structured and tailor-made. The process of selecting and developing the individual will depend on differing factors, such as the level of the role, the business and the country.

Special mentoring programmes can be created for high-potential staff, where they can be assigned someone, who would typically be an executive or on the board, to develop them into future leaders.

The process of identifying the best talent at a junior level shouldn't be dramatically different. In both situations... you need a robust recruitment and performance-management process to make sure that you select the best person for the role.

#### **How do Western talent management strategies compare to Asia?**

People tend to think that talent management strategies in Asia must

be different from those in the West.

However I would argue that it's not geographic location, but the economic status which makes a difference.

Companies in a mature market will take a different approach to talent compared to those in developing economies.

That said, Asia is diverse. When you compare Japan or Australia, which are mature markets, to India or China, which are developing, they are very different, despite all being within the Asia Pacific region.

Cultural differences come in to play as well. For example, in China, because of the 'one-child policy', parents are very involved with their child's education and career. So, we structure our campus recruitment to include them.

Having a broad talent management strategy is important, but companies have to be cognisant of cultural differences. ■

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*Peter Lo was a speaker at the 2014 Criticaleye Asia Leadership Retreat. Find out more [here](#)*



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