

Banks likely to shed jobs in 2012

Employment uncertainty hangs over industry

By Kate Kachor
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A new level of uncertainty is moving across the financial services sector amid job cut speculation.

Job cuts are likely among Australia's big four banks in 2012, however, the exact numbers and what areas will be targeted are unknown.

Financial Recruitment Group managing director Judith Beck said an air of high uncertainty currently hung over the financial services sector.

"Last year it was cautious optimism, but this year it is - your guess is as good as mine," Beck told *InvestorDaily*.

"We certainly are not hearing negativity in the same manner as during the GFC (global financial crisis) and clients are not talking about redundancies any more as most restructures have been completed."

She said hiring was selective and cautious across the sector.

"We are seeing some new growth companies who are doing well and hiring. One company who we met with has a mandate for over 200 new positions this year - that is always good to hear," she said.

In terms of financial planners, she said companies were still competing for good talent and those candidates had options.

"Financial planners with experience and a good track record are still highly sought after. Good candidates are harder to move in a market like this as they are very cautious and hesitant to make a move," she said.

EFinancialCareers head of Asia-Pacific George McFerran said market uncertainty was spiralling candidates' appetite for risk to an all-time low.

"In Q4 2011 we were seeing candidates retreat away from job offers at the last minute after they had initially accepted," McFerran said.

"This trend is expected to persist throughout 2012 as candidates continue to seek new opportunities only to be held back by the tentative state of the global finance market."

He said he predicted another trend that over the next six months many banking and financial services professionals would return to Australia as the economy steadied.

Weak business conditions in the United States and Europe, and a steady in Asia, would encourage more Australian finance professionals to return home, he said.

"Job seekers currently in London, Dubai, New York and Hong Kong are the most likely to come back to Australia as the Australian economy becomes increasingly regarded as a safe haven," he said.

Yesterday, ANZ Banking chief executive Philip Chronican was quoted as claiming rival Australian banking groups would follow ANZ's lead and sacrifice jobs to reduce costs.

It is understood ANZ could start the year by cutting up to 900 jobs.

In response, BT Financial Group and Westpac Group said it expected to make a series of cuts this year, while National Australia Bank (NAB) and Commonwealth Bank of Australia (CBA) said strategic cuts were not on the agenda.

"We expect there will be a decrease in staff numbers this year, but we have no specific targets on the number of job reductions," a statement on behalf of BT Financial Group and Westpac Group said.

"As a priority we make sure we support any people impacted and aim to redeploy, where we can, or reduce numbers of contract employees rather than permanent employees."

A CBA spokesperson said the bank had no short-term plan for job cuts.

"Commonwealth Bank has a long-term strategic focus on productivity and, to that end, is continuously looking for ways to use technology and process improvement to enhance customer satisfaction while increasing efficiency," the spokesperson said.

"This may result in redundancies occurring from time to time in some areas, while in other areas more staff may be needed. There is no target or short-term plan for major staff reductions."

A NAB spokesperson said with a workforce of more than 44,000 worldwide, staffing numbers would fluctuate from time to time.

"Staffing numbers will fluctuate in various parts of the business at times due to the completion of programs, outsourcing of some projects and continuing focus on efficiency, but NAB always works to try and redeploy people within the business wherever it is possible," the spokesperson said.