

Scramble for risk managers boosts their pay

By Brian Groom, Business and Employment Editor

A rush by financial services companies to hire interim managers who specialise in risk and compliance work has driven their pay up by 50 per cent over the past two years, according to a leading provider of such managers.

Interim managers with risk and compliance experience were typically earning up to £1,000 a day before the credit crunch, but many are now earning up to £1,500, according to Interim Partners. Companies are seeking temporary managers to bolster their in-house expertise as risk officers are increasingly asked to challenge decisions by operational managers.

The move is part of a shift in power within banks and financial companies from sales staff and traders towards those dealing with credit control, risk and compliance.

Barclays recently appointed Robert Le Blanc, chief risk officer, and other control and governance managers to its group executive committee.

Jane Hanson, a consultant who advises companies on interim posts, said the shift had been given increased urgency by Sir David Walker's report on governance in the financial services sector.

"There is now an increased requirement for more experienced, more commercially focused risk management and compliance professionals to operate at a high level, often at the top table," she said.

This was demanding new skills from risk officers, who were required to analyse and challenge executives' decisions on issues such as portfolio acquisition, pricing or product type, instead of focusing on reporting as they did previously.

Ms Hanson said directors from other parts of the business were increasingly moving to risk roles because of their high profile.

Andrew McIntee, head of financial services practice at Interim Partners, said that before the credit crunch, compliance and risk were sometimes seen as a necessary evil.

"Now the value of these previously unsung heroes is being recognised. They have more say over what deals get done than at any time since the last recession," he said.

"As with all rare skills, the pool for the top talent with a proven track record is small - with everyone looking to recruit at the same time, rates get pushed higher quite quickly," he added.