

## Opportunities Off The Fast Track

To find alternatives to Wall Street's traditional "up or out" career path, look beyond investment banking departments

By John Jacobs



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Employee retention, career flexibility and work-life balance are in vogue these days. Within investment banking, however, these concepts coexist with a programmed career ladder that shows little sign of softening.

On the lower rungs, bankers get a fixed number of years to prove themselves before either ascending to the next step on the ladder or departing to continue their education or join a different firm. The system gives employers a reliable pipeline for training junior staff to work directly with

investment banking clients - a critical function for those who become vice presidents or earn higher roles. Classification based on the time spent on a given rung continues until just below the managing director's level.

"It's important in every line of business to be promoted, but the difference is there's standard timing within investment banking," says Jocelyn Donat, an executive director in investment bank human resources at JPMorgan Chase. "For example, in investment banking people are expected to be an associate for three years and then they're expected to be promoted to VP." In contrast, JPMorgan Chase's retail bank, commercial bank and credit card business don't use the same corporate title structure as the investment bank and private wealth management business. Consequently, an associate's tenure in those units could last much longer. In retail banking, "The career path and expectations are very different from someone who works in an investment bank," says Donat.

### Differences on the Buy Side

Outside of investment banking, roles do exist on Wall Street for what might be called " journeymen" - experienced professionals expert in a crucial function who won't move on to higher responsibilities, such as running a larger group. They are widely found on the buy side, including asset management arms of investment banks. *"The buy side in general is not as hierarchical," says Keith Macomber, a partner in the asset management and wealth management practice at CTPartners, the worldwide executive search firm formerly known as Christian & Timbers. An investment bank's buy-side operation might employ an identical title structure as the corporate parent, but have no fixed schedule for ascending each rung. "It's not the same kind of cookie-cutter ladder," says Macomber.*

In independent buy-side institutions, "analyst" often isn't an entry-level title but a significant professional role with its own career path. Fidelity, one of the biggest buy-side shops, used to cast the analyst role as a brief training stop on the road to portfolio manager. But after drawing criticism for lacking a strong research staff to ferret out investment ideas and boost portfolio performance, the company did an about-face. Today, Fidelity's equity research analysts are encouraged to stay on as career experts in the sectors they cover. Another prominent equity manager, Wellington Management, has long emphasized research as a separate career track. Its senior members are accorded a status in line with that of senior portfolio managers. It's worth noting that small buy-side shops, including most hedge funds, wrestle with an opposing issue: Instead of pushing analysts through a pipeline toward more senior roles, they often lack opportunities for ambitious analysts to ascend into portfolio management.

### Fewer Promotions in Support Departments

Within sell-side firms, journeymen also can be found in sales, trading and support roles. "In sales and trading, there is more flexibility, assuming you're successful," says Wall Street recruiter Ken Murray, president of Mercury Partners.

Title progression also gets less emphasis in support departments such as accounting, IT, marketing and HR. The corporate title structure still applies, but promotions arrive only after longer experience and higher hurdles than in front-office roles. Lacking a measurable revenue contribution, professionals in these departments usually earn status and advancement based on how many employees report to them. Only those who run the largest groups can hope to ascend to a managing director's slot.

Of course, most front-office workers don't get to be MDs, either. Investment banks can extend a variety of inducements for mid-career professionals to remain loyal and give their all.

At JPMorgan's investment bank, "It's not just promotion," says Jocelyn Donat. "It's total compensation, title, breadth of responsibilities, global opportunities where there's interest. There's mentoring, there's networking, there's management wrapping their arms around our top performers, getting them opportunities they wouldn't ordinarily have." The investment bank's retention efforts also encompass work-life balance and other "stretch" type of opportunities, adds vice president Lynda Cantatore. Still, titles continue to be a vital tool to formally recognize advancement. In February JPMorgan added the executive director title to its investment bank structure, in part because lacking it made recruiting executive directors away from rival firms more difficult.

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