

STRESS TESTS FOR BANKS—FINANCIAL AND NOW HUMAN

The stress and anxiety that today's regulatory environment is unleashing on bank executives — young and middle-aged — is starting to take a serious toll on financial-sector talent. Employers are beginning to take measures to relieve some of the stress. Experts are now advising banks on how to avoid another Great Depression — this one of the human kind.

Preventative Outsourcing

Everybody recognizes that competition and long hours are not going to go away. However, just as CIOs have come to realize that sourcing IT to outside professionals is essential to compliance with the Graham-Leach-Bliley Act and other Big Data regulations, CCOs are now recognizing the benefits of shifting an increasing amount of regulatory compliance functions to outside specialists.

Suicides and Other Deaths Being Investigated

At a coroner's inquest last week, the cause of death of a retired London banker was ruled a suicide after his psychologist testified that the deceased had been "very anxious" about authorities investigating the bank. A 21-year-old bank intern died of an epileptic seizure that, according to the coroner in that case, may have been brought on by fatigue after he worked three days straight without sleep.

In January, a 39-year-old vice president of a bank's investment bank technology arm jumped to his death from the Canary Wharf tower in London, and in February, a 33-year-old finance manager employed by the same institution leapt to his death from the roof of a Hong Kong office tower.

"The stress is certainly palpable, and it seems to have gotten worse over the last few years since the recession," noted a psychiatrist who works with financial professionals. "Employers are starting to wake up to this as a problem."

2008 Recession Repercussions

Despite the fact that the Great Recession occurred almost six years ago, investigations, lawsuits, billion-dollar fines, and even criminal prosecutions are still extant from that global financial crisis. New and complex regulations have proceeded from it — domestically and globally — which are often times still not fully understood in terms of compliance. All of this has led to the high — and unmanageable — levels of stress for in-house compliance officers and other bank officials.

Minding the Money—and the Mind

Asking for help or requesting mental-health days off from work has generally been viewed as the death knell of one's career — or at least advancement — in the banking industry. However, recently banks have begun to introduce initiatives to address the mental health needs of their employees. That, together with outsourcing compliance regulatory processes, holds the promise of creating better management tools for the benefit of both the organization and the employees' well-being.

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