

International

Frustration, fear and family: Lockdowns test the bankers

Stress and heavy workloads lead to domestic strife

LONDON: Lockdowns are sharpening the knives in the cut-throat world of M&A banking. Stuck at home, armed only with a phone and a laptop, senior advisors are finding out just how strong their relationships with clients really are while frustrated juniors are left to crunch numbers in the shadows, deprived of the personal access to the rainmakers who could give their careers a boost.

With the dreaded “doughnut” – or zero bonus – almost a given this year, and some banks looking to cut jobs to weather the health crisis, the strains on bankers watching multi-billion dollar pre-pandemic deals go up in smoke is taking its toll. “It’s like a Darwinian selection,” said a senior advisor at a Wall Street bank. “If you’re a senior banker and you don’t win a single pitch you can only blame yourself. You’ve failed to cultivate your relationships and now it’s clear to everyone.” “If you don’t know them well enough, you will never win a mandate over Zoom,” said the banker, who declined to be named.

A lack of face-to-face contact is not just exposing the shortcomings of some senior financiers, it is also making it harder for junior associates to learn on the job and progress, headhunters, lawyers and bankers said. “Junior bankers are challenged by old problems – long hours, excessive workload and lack of acknowledgement – but this lockdown has made them more acute,” said Anna Marietta, co-founder and managing partner of headhunter Vici Advisory. “Juniors – especially analysts and in-

terns – can also learn through osmosis and they need physical interaction in the office. They need to see how their managers are handling client relationships and solving problems,” she said.

Relationship challenge

Global M&A volumes are down 41% so far this year, a far cry from the champagne-popping records of recent years when bankers at Goldman Sachs, JPMorgan, Morgan Stanley, Citi and Bank of America – the top five dealmakers – were the toast of Wall Street. Massive government support for companies, particularly in Europe, is keeping many firms afloat and delaying the kind of lucrative takeover deals that have put M&A advisors at the top of the investment banking world, bankers and lawyers said. But the pressure to drum up business means the workload – which often involves all-nighters and 100-hour weeks – is as heavy and stressful as ever, ramping up the risks for employees who turn a blind eye to potential burnout.

“Employers have always been responsible legally and financially for harm caused when they didn’t ensure an employee’s mental or physical safety at work,” said Melanie Stancliffe, employment partner at Cripps Pemberton Greenish. “Ensuring the physical safety of employees is the prime business reason to work from home and in this new normal, the focus needs to shift to protecting employees from other risks so they are well and can support – not sue – their employer.”

For some bankers, the job stress is compounded by working from home in proximity to their families and juggling chores with conference calls, a shock to the system for people used to jetting around the world to schmooze clients. “The lockdown for many throws into sharp relief the health of their home lives,” Paul McLaren, consultant psychiatrist at The Priory’s Wellbeing Centre in the City of London. “For many high achieving City workers that is an area of their lives which they may have neglected, and participated in only from a distance. Rebalancing the power relationships at home with partners is a particular challenge at the moment.”

Lockdown strains

Still, investment bankers, with their bumper salaries and bonuses from years past, can afford more palatial setups than most employees working from home during the health crisis. Some senior bankers in Britain have escaped to their remote country piles while others have hunkered down in spacious pads with attic studies in upmarket London neighbourhoods.

For some, the opportunity to spend more time with their family is a rare gift they relish. For others, the pandemic is exposing fractures in their personal lives. Well-known lawyers and psychiatrists contacted by Reuters have reported a surge in requests for help with relationships and mental health. “Suddenly, a high-powered financial professional is stuck all day at home with someone that

they usually barely see from week to week and with whom they’ve learned to co-exist at a distance,” said Ayesha Vardag, known in City circles for winning multi-million dollar divorce settlements for her clients. Vardag told Reuters that inquiries from financial sector employees and their spouses jumped 170% in the week to May 27 as British lockdown restrictions began to ease, with some choosing to call time on their marriages before bonus cuts and layoffs damaged prospective settlements. “Many financial sector clients and their spouses are reactivating divorce enquiries they made before lockdown, left in abeyance because they wanted to work on their marriages,” she said. “Then they found they couldn’t stand it any longer.”

‘The old-fashioned way’

For junior bankers, who typically range in age from the early 20s to early 30s, the lack of career progress under lockdowns is the main source of stress coupled with an ongoing hiring freeze at most banks. Shut out of video calls with clients due to digital security concerns, five analysts and associates said their opportunities to learn from – and impress – their bosses were limited. Instead of knocking on a partner’s door to discuss ideas, some juniors said they had to lobby line managers to set up a call with their bank’s top rainmakers. The top two M&A banks, Goldman Sachs and JPMorgan, said they were pulling out the stops to keep junior colleagues engaged.—Reuters

US states reimpose virus measures as cases near record

HOUSTON: US officials on Wednesday imposed tough measures including quarantines and stay-at-home advice as daily coronavirus cases approached record levels after surging across the nation’s South and West. Nearly four months after reporting its first death from COVID-19, the United States faces a deepening health crisis as a wave of infections hits young Americans and experts issue new acute warnings. More than 35,900 cases were recorded in the past 24 hours, according to a tally by Johns Hopkins University, with heavily populated states including Florida, Texas and California all reporting daily record cases. The world’s largest economy is already the country hardest hit by the pandemic, with a mounting death toll of almost 122,000.

Some officials – including the Texas governor – who loosened restrictions on business, dining, public gatherings and tourism, are now urging residents to again stay home. Three northeastern states that made progress beating back the pandemic – New York, New Jersey and Connecticut

– urged visitors arriving from US hotspots to quarantine themselves. New York Governor Andrew Cuomo said the advisory applied to visitors from Alabama, Arkansas, Arizona, Florida, South Carolina, North Carolina, Utah and Texas. Washington state was originally included, but Governor Jay Inslee said this was by error and it would be removed.

Several states in the South and West including Florida and Texas are suffering what White House advisor and top scientist Anthony Fauci described as “disturbing” new surges in infections. Fauci warned the next two weeks would be “critical” to addressing the surges. Texas, among the most aggressive states in reopening in early June, saw new cases hit a daily high of 5,489 on Tuesday. A concerned Governor Greg Abbott warned Texans of the virus’s “rampant” spread and said the “safest” place to be was in their homes, adding that those who needed to go out should wear masks.

“If we are unable to slow the spread over the



NEW YORK: People eat and drink at tables placed outside of a Manhattan restaurant as the city enters Phase 2 of re-opening following restrictions imposed to curb the coronavirus pandemic. — AFP

next few weeks, then we will have to reevaluate the extent to which businesses are open,” he told a local NBC affiliate. “Because if it’s not contained in the next couple of weeks, it will be completely out of control, and Texas will have to ratchet back.” Pointing to recent mass gatherings

for Memorial Day and graduations, Abbott added: “Now it’s clear that Texas is not immune to COVID-19.” Abbott is an ally of Donald Trump, but his warnings are at stark odds with the president, who proclaimed Tuesday that “we did a great job on CoronaVirus.” —AFP