

COVID-19: Keeping morale high

Second digital gathering with CEOs from the banking world, hosted by Egon Zehnder's Financial Services Practice

In these extreme times, it's vital to keep the lines of communication open. On Saturday, we continued our CEO and CHRO conversations with financial institutions from around the world.

In our CEO call, Jean Pierre Mustier, Group Chief Executive Officer of UniCredit, gave a short update, sharing the challenging and difficult situation in Italy. He explained that apart from some branches that are opening for two hours for clients without bank cards, UniCredit is operating mostly remotely. Jean Pierre also pointed out that dividends will be suspended under the directive of the ECB, and that his investors fully supported this. "We're learning step by step and trying to anticipate what's ahead and are preparing for it."

Constant communication both with the top team and those in charge of the branches is essential, stresses Jean Pierre. "Reaching out to the team, listening to each other is more important than ever." In the call, he reveals that sometimes he speaks on purpose about normal topics, like the weather. He also advises his top team that it's "ok to speak to the walls, but if the walls speak to you, give me a call."

Together

One bank's executive team has agreed to forfeit 50% of total 2020 compensation (base salary and bonus) to guarantee employment for all of its employees. If this is not sufficient, the next step would be to cut pay for the top 2000 employees to fund this commitment. With the knowledge that their jobs are secure, contributions to the bank's relief fund increased dramatically.

Otherwise, large investors are pleading for banks to be prudent. Many banks, including those outside the Eurozone, will likely postpone their annual general meetings and freeze dividend payments. One bank described the speed of the impact on cash flow as "brutal".

Under pressure

CHROs at global financial services shared that pulse surveys remain a good way of assessing employee sentiment. The key takeaway from these is the strong desire of employees for their company to do its utmost to support job security. While stress is an obvious issue, employees remain surprisingly calm, confident and appreciative of company efforts to minimize health risks, the surveys revealed.

Obviously, all employees in the finance sector are stressed right now, but the situation is worse in some regions. India's large workforce and less-developed infrastructure means that the country is particularly under pressure during its current lockdown. Stress levels are also very high in Italy and Spain. Among employees, call center staff are overstretched, with a 70% increase in calls. Thankfully, additional employees are being trained to take calls and alleviate the workload. Staff within banks are also facing extremely high levels of customer anxiety and abuse; there have been cases of people becoming aggressive and trying to push their way into branches, so banks are only opening if a security guard is present.

High levels of empathy

The situation calls for a high degree of empathy towards all employees, from high-ranking CEOs to the most junior employee. "The main thing is that people are safe and helping their families. Who cares if they don't work now; the rest of it will work itself out. If we help them during this time, they will show greater commitment after the crisis," concludes one CHRO.

Most of one bank's employees are working from home – remote working increased from 0 to 80% in one week. That said, working from home can be tiring, admits one executive. "We work all the time from 8am until midnight. There's no Saturday or Sunday so it's becoming challenging to find a work/life balance."

For all executives, the main message that came across was "we're going to get through this together." As one CHRO said, "We don't know how long this will go on, and the impact on society and the economy will be gigantic. We all have a role to play."

To read more about UniCredit's activities, please visit: <https://one.unicreditgroup.eu/>

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COVID-19 Micro-Website

We have launched a micro-website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

About Egon Zehnder

Egon Zehnder is the world's preeminent leadership consulting firm, sharing one goal: to help people and organizations transform through leadership. We know what great leaders can do and are passionate about delivering the best solutions for our clients. As One Firm, our more than 500 Consultants in 68 offices and 40 countries combine our individual strengths to form one powerful collaborative team. We partner closely with public and private corporations, family-owned enterprises, and non-profit and government agencies to provide a comprehensive range of integrated services: Board advisory, CEO search and succession, executive search, executive assessment, leadership development and organizational transformation.

Our leadership solutions cover individual, team and organizational effectiveness, development and cultural transformation. We work with world-class partners including Sinequanon (SQN), a firm we have invested in that uses AI and advanced analytics to improve workplace culture and performance, and Mobius Executive Leadership, a transformational leadership development firm. In addition, we have partnered with Paradox Strategies, co-founded by Harvard University Professor Linda Hill, to develop the Innovation Quotient (IQ), a proprietary culture diagnostic.

Our goal is that the work we do contributes to successful careers, stronger companies – and a better world.

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