

January 16, 2014 4:44 pm

Tales from an overworked City



By Emma Jacobs



During an internship at Goldman Sachs, one undergraduate, who prefers not to be named, learnt a great deal about banking – and himself. “I know that I can work 15 to 20-hour days without collapsing,” he says, although he admits to nodding off in the toilet a couple of times. Such stamina “is a useful skill to have”, the student reflects.

The death last summer of an intern at Bank of America Merrill Lynch, which according to a coroner may have been triggered by work overload, prompted many banks, including Goldman Sachs, to examine the issue of pastoral care.

Several have announced steps to improve conditions for young recruits. Credit Suisse, for example, announced this week that junior bankers should not come to the office on Saturdays unless they are working on a “live” deal, according to a memo sent by Jim Amine, global head of investment banking.

However, many in the industry argue that such rules are impossible to implement and contain so many caveats as to be meaningless. More-over, as long as demand for banking jobs is fiercely competitive, junior staff will work around policies in order to prove themselves, they add.

The undergraduate who fell asleep in the toilet, for one, is sceptical about the impact of memos aimed at reducing the workload. “The hours are long – you can’t escape that. If you want to go into banking there’s no way round it.” No one, he says, would ever admit to struggling. “That’s a difficult conversation to have.” Undeterred, he hopes to secure a graduate job in the field.

Hephzi Pemberton, co-founder of Kea consultants, which recruits junior bankers for hedge funds and private equity firms, used to work at Lehman Brothers’ investment banking division. There is a limit to the extent to which edicts from directors can alter a bank’s culture, which largely depends on team leaders, she says.

Polly Courtney, who left Merrill Lynch as a young banker, claims that there was a laughable gap between HR rhetoric and practice at her former employer. “You’d attend talks where you would tick a box saying ‘I’ve learnt about being respectful to others’. And get back to your desk and stab your colleague in the back.”

People will always work round policy in order to prove themselves, she says. “If you don’t come in on a Saturday then you will just work remotely.”

Another intern currently studying at university recalls her peers going to ridiculous lengths to conceal their departure, some leaving the office by the back exits. No one would say hello or goodbye, she says, as it would only show their working hours. One peer left the office at 9pm because there was no work left to do and believes this is the reason he did not get a graduate job.

Dr Michael Sinclair, a therapist and author of *Fear and Self-Loathing in the City: a guide to keeping sane in the Square Mile*, says junior finance workers place themselves under enormous pressure to perform rather than simply being told to do so by their boss.

“They have an aspiration to do well and get caught up in a whirlwind. Banking is very attractive. It’s high adrenalin and high pay. The younger ones will work endlessly to impress.”

Ms Pemberton strikes a similar note: “People that go into finance are type A and willing to work hard – they were probably the ones pulling all-nighters at university. They weren’t sitting around strumming their guitars.”

Thomas Cuvelier, a former investment banker who recruits junior bankers and private equity employees, agrees: “In practice, nothing stops junior bankers and interns from working at home . . . it’s a very hard rule to apply.”

Mr Cuvelier believes that banks are making a genuine effort to curb the excesses of the long hours culture but points out that they are

not in full control of the workload. “Clients are demanding and unpredictable. Their demands are often last-minute. But that is why the work is paid well – because it is hard.”

Kilian Wawoe, a former ABN Amro banker who now works for banks as a human resources consultant, says: “Stating that one should not work on Saturdays is like telling people in a bar that they should drink less. In other words, there is a culture and there are rules. If these rules do not reflect the culture, rules are useless.”

As long as managers work weekends, they will recruit, promote and reward people who do the same, he adds.

Meanwhile, it is the nature of the industry “to expect the unexpected”, says one young banker who has worked at two leading investment banks. She points out that some managers will work round rules stipulating that junior bankers can only be called into the office at weekends to work on a live deal. “A boss will say that it is a live deal when it isn’t really . . . In any case, it is a difficult to say when a deal becomes live.”

Competition among interns is incredibly tough, says one undergraduate who has completed a stint at a boutique bank. “Only a certain amount of interns get through. You will try to be the first one in and the last one out.” Interns, he says, will break the rules. “You want to impress.”

Moreover, an increasing number of international students is adding to the pressure: “Once they’ve got the internship they want a job in the City to get their foot in the door in London so they can get their visas. We’re competing against students from America, China and India. It’s very, very competitive.”

Few junior bankers believe that sugar-coating internships is a good idea. Polly Metcalfe, an adviser at Oxford university’s careers service, points out that students go into banking with their eyes wide open. “Undergraduates have a fairly realistic view of the culture at banks and are likely to have factored that in before applying to be an intern.”

As one junior banker, who declined to be named, puts it: “People who go into banking don’t want to be treated softly. I enjoy it when I’m pushing myself to my limits.”

At the coroner’s inquest into the death of Moritz Erhardt, the Bank of America intern, Jürgen Schröder, his development officer, testified that the 21-year-old German undergraduate, in common with interns in general, had to work long hours.

“It is project-based and depends on the deadlines. If you work on a live deal the deadline has to be met,” Mr Schröder told the inquest.

But he also said that some interns just liked to stay late because they were “very competitive men that sometimes pride themselves on the long working hours”.

Mr Schröder did not think this was always driven by need, but possibly by peer pressure.

Many point out that other sectors have just as punishing work conditions but do not attract the same attention. “Lawyers and consultants work the same hours if not worse,” says Mr Cuvelier.

One adviser to banks is flabbergasted by the furore, saying it put the sector in an impossible position. “The public love to bash the bankers but when the banks work their juniors too hard the public all of a sudden are upset about this too. So they’re mad when they make a lot of money and mad when they work hard.”

Additional reporting by Daniel Schäfer

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