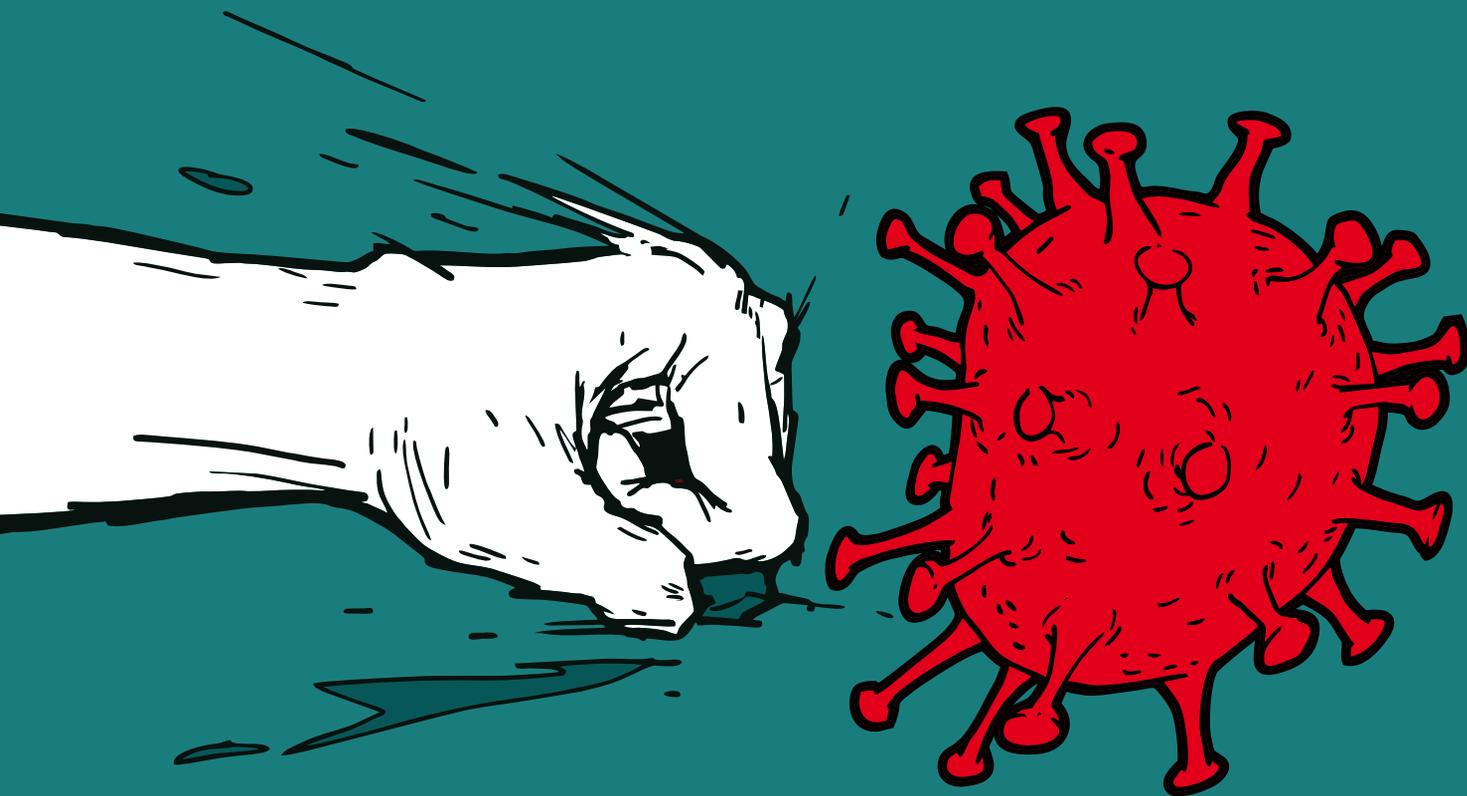


BANKING INSIGHT

IDEAS FOR LEADERS | DECEMBER 2020

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Winning the Battle and the War

Wresting fatigue determines whether this crisis marks your finest hour or the darkest day.

Sustainable Lending: The New Normal?

THE POST-COVID OPPORTUNITY FOR BANKS

A PUBLICATION OF



WHEN OPEN BANKING BECOMES A REALITY

WINNING THE BATTLE AND THE WAR

By Angela Yap Siew Peng

- WRESTING FATIGUE DETERMINES WHETHER THIS CRISIS MARKS YOUR FINEST HOUR OR THE DARKEST DAY.

Make no mistake, war-room fatigue is real and dangerous. After almost a year since the outbreak, many teams are still on the ground 24/7. Top-of-mind are two mantras: protect the health of employees and customers, and ensure business continuity.

In pursuit of these objectives, command-and-control centres have been set up comprising key operational talents with a remote or on-site global view of the situation. These responders are technically empowered to plan and execute the 'tough calls' needed to manage the crisis at hand.

Welcome to banking's war room, a Lean Six Sigma practice touted as the solution to our crisis-management age. Governments use it, regulators have deployed it, and many corporates swear by it.

Whether the objective is to cost down, provide liquidity for survival, or retool the business for the impending recovery, every established management consulting firm extols its virtues. Yet, just like post-traumatic stress disorder for soldiers in combat, few talk about the long-term

In pursuit of these objectives, command-and-control centres have been set up **COMPRISING KEY OPERATIONAL TALENTS WITH A REMOTE OR ON-SITE GLOBAL VIEW OF THE SITUATION.** These responders are technically empowered to plan and execute the 'tough calls' needed to manage the crisis at hand.

effects of war room and crisis management on the psyche and well-being of people who work under high-stress conditions.

GEARING UP

Adopted from the military practice of establishing bunker-like operational hubs where generals and strategists exchange by-the-minute reports and plan tactical manoeuvres, war rooms have been deployed for decades among project management professionals tasked with resourcing and executing critical programmes such as change management.

In the business world, the war room is no place for the faint-hearted. More than just a term to be bandied around, setting up a war room is not a guarantee that one will emerge unscathed. The real game-changer is the mindset shift that accompanies it. In the context of today's risk-ridden world, banking's war room – whether to address cybercrime or navigate a crisis – must be populated with individuals who thrive on the adrenaline and are confident to make rapid-fire decisions.

Almost all banks today have working war rooms in place, but typical project war rooms are highly intense and supposed to last only a period of two or three weeks. With Covid-19, some banks, especially in Asia where many of the earliest responders are situated, their war rooms have been operational for months.

FEELING ALONENESS IN A CROWD

In a May 2020 article published by *Harvard Business Review*, prominent business psychologist Dr Merete Wedell-Wedellsborg warns: "I see this war-room

fatigue in the leaders right now — and in their teams. It's real and it is infectious, and it hits you like a hammer from one day to the next."

Her feature, *If You Feel Like You're Regressing, You're Not Alone*, documents the surreal and cyclical experience of leaders who have yet to manage a bigger crisis than Covid: "In my experience as a psychologist and executive advisor, I've found that crises follow a rough pattern: Emergency. Regression. Recovery."

An understanding of the symptoms that demarcate each phase helps leaders and team members identify their current state and hopefully circumvent a meltdown.

Dr Wedell-Wedellsborg writes: "In the beginning, when the emergency becomes clear, team energy rises, and performance goes up. Almost all of us have unknown reserves. As the executives' experiences reflect, this reaction feels full of purpose and much gets done. Leaders tend to become the best version of themselves in this phase and teams instinctively pull together and become highly productive. Few people question the leaders' authority, and teams work in hectic, but harmonious, ways. The urgency created by the shock paves the way for rapid decision-making and turbocharges teams' bias for action.

"Then the second phase hits: a regression phase, where people get tired, lose their sense of purpose, start fighting about the small stuff, and forget to do basic things like eat or drink — or they eat and drink too much.

"The concept of regression comes from developmental psychology and describes how people roll back to a less mature stage when faced with pressure. Regression is one of the mind's ways to defend itself from confusion and insecurity by retreating to an emotional comfort zone.

"From combat psychology in particular, we know that regression is the most dangerous phase for teams. The most stressful events for soldiers don't actually involve dangerous missions that require courage and action. They actually involve waiting: being in the middle of nowhere on a post, repairing equipment and handling administrative tasks, not being able to use their particular skills. It turns out that boredom, lack of new experiences, and



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