

Risk Managers Adapt to Remote Work as Productivity and Stress Loom as Key Concerns

JERSEY CITY, NJ, July 1, 2020 – New [research](#) from the Global Association of Risk Professionals (GARP) revealed that risk managers have successfully managed the transition to work-from-home due to COVID-19 but are facing challenges related to productivity and increased stress.

GARP surveyed 250 certified Financial Risk Managers (FRM®) to understand the effect the COVID-19 pandemic and remote work have had on both companies and risk professionals.

“The COVID-19 pandemic has highlighted how resilient financial firms must be to a range of systemic risk events,” said Chris Donohue Ph.D., managing director of the GARP Benchmarking Initiative. “The unprecedented pandemic is truly testing normal business risk management approaches right now.”

Unsurprisingly, most (87%) risk professionals around the world are working remotely compared with only 2% prior to COVID-19. Though this unprecedented shift has created new challenges, technology isn’t one of them. Risk management functions and processes have experienced little drop-off; respondents were generally positive about their firm’s business continuity, communications, and ongoing risk management operations. Only a small fraction of respondents said their experiences with access to key data and systems (5%), cybersecurity issues (5%), business operations (4%), and firm communications (4%) had worsened as a result of remote work. And, 89% and 82% of respondents, respectively, found both risk and incident reporting to be functioning “as good or better” than prior to the pandemic.

Despite company-wide adaptations and successes in working from home, risk professionals [reported](#) experiencing a noticeable reduction in work-life balance. Respondents said they are working more, but at the same time, feel less productive and engaged. Though 60% of respondents admitted to working more hours now than before COVID-19, 44% also attested to a drop-off in productivity. In addition, 46% reported feeling more stressed out by their work than before, and 71% said their work hours have become more irregular.

“In addition to showcasing the resilience of firms and professionals, the survey results indicate that risk management has functioned well on a remote basis,” said Donohue. “However, it’s clear there are still necessary improvements to be made on the work-life front. Professionals cannot be primed and ready to tackle risks that may arise if productivity, engagement, and stress-levels are suffering.”

Risk professionals in Asia appear to be experiencing the most challenges — 56% reported lower productivity, compared with only 36% and 42% for North America and Europe — though it may be too soon to tell whether successes or failures can be evaluated geographically.

Other key findings include:

- Risk managers in Asia were noticeably less positive about their work-from-home experience; 30% said cybersecurity issues worsened and 28% said access to systems deteriorated.
- Risk professionals at banks were more likely to be working longer (60%), more irregular hours (80%) and be experiencing more work-related stress (51%) than respondents at asset managers and consulting companies.
- Companies with 100 or fewer employees faced the largest increase in risk across three key areas: market risk, cybersecurity risk, and credit and counterparty risk.
- Nearly all financial institutions, regardless of size, type or location, have experienced elevated levels of risk as a result of the COVID-19 pandemic. On a scale from 1-9, with 1 meaning “decreased sharply” and 9 meaning “increased sharply,” risk managers rated market risk, credit and counterparty risk, and liquidity risk at a striking 7 or higher, with banks reporting the highest overall increases in risk levels since the start of the pandemic.

“GARP plans to keep monitoring risk managers under these new circumstances in the hopes of better understanding what the challenges and opportunities are,” said Donohue. “It has been enlightening to learn how the risk profession has handled this period of decentralization. How risk managers adapt to the new normal will continue to evolve and teach us a lot about the capacity and resilience of professionals and firms.”

About the Global Association of Risk Professionals

The Global Association of Risk Professionals is a non-partisan, not-for-profit membership organization focused on elevating the practice of risk management. GARP offers role-based risk certification — the Financial Risk Manager (FRM®) and Energy Risk Professional (ERP®) — as well as the Sustainability and Climate Risk (SCR™) certificate and on-going educational opportunities through Continuing Professional Development. Through the GARP Benchmarking Initiative and GARP Risk Institute, GARP sponsors research in risk management and promotes collaboration among practitioners, academics and regulators. Founded in 1996, governed by a Board of Trustees, GARP is headquartered in Jersey City, NJ, with offices in London, Washington, D.C., Beijing, and Hong Kong. Find more information on garp.org or follow GARP on LinkedIn, Facebook, and Twitter.

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