Coroner blames work stress for New Zealand bank worker’s suicide

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In a report released on May 9, a Christchurch coroner found that work stress was the main factor behind the suicide of an Australia and New Zealand (ANZ) Bank worker. Michael Smith, 41, manager of investment and lending at the Riccarton branch of the Australian-owned ANZ Bank, killed himself in March 2000 after two years of recurrent depressive illness.

The report by coroner Richard McElrea says that Smith’s constant battle to meet difficult sales targets was responsible for the depression that ultimately led to his suicide. The bank employee’s medical condition was triggered by stress, and the principal cause of stress was his work. Smith was on leave and receiving treatment for depression at the time of his death.

Smith first developed his depressive illness in 1998, at about the same time he decided to turn down a promotion offered by ANZ. According to the coroner, repeated episodes of depression in the months prior to his death were precipitated by anxieties arising from his work performance—in particular, his inability to meet weekly financial targets.

Michael Smith was one of 70 investment and lending managers employed by ANZ in New Zealand at the time. Only 22 of those managers could meet the bank’s performance targets, which gave commission values to each bank account, credit card, mortgage, insurance and term deposit sold to customers. During 1999, managers were required to meet an average sales target of $3,731 a week. Their ongoing performance levels were regularly published within the bank.

Smith had worked for the bank for more than 20 years, starting out as a 19-year-old clerk at the Riccarton branch. He was married and had two sons. At the age of 21, he had been selected by the New Zealand swimming team to compete in the 1980 Moscow Olympics, but did not attend because of the boycott following the invasion of Afghanistan by the USSR.

According to the coroner, the ANZ had taken steps to “help Mr Smith do his job”, but he found it “surprising” and unreasonable that the bank had not adjusted Smith’s performance targets to take into account his time away from work on sick leave.

At a meeting in February 2000, Smith had been summoned by his bosses to discuss his failure to meet the weekly sales targets. The following day he received a letter that said he would be monitored under a system of “informal performance management”, and the ultimate outcome if he continued to miss his sales targets could be dismissal.

This caused Smith considerable anxiety and two weeks later he responded by tendering his resignation. The bank provided “career counselling” to help him decide whether he really wanted to resign, and arranged for him to take leave with pay in order to improve his health. Despite being told by the bank that he would receive all his entitlements if he were to resign or quit on medical grounds, Smith was concerned he would lose his superannuation.

Smith’s wife Catherine told the *Press*, a Christchurch newspaper, that if the bank had agreed to put her husband’s performance targets on hold during his illness things would have been different. “To the family the whole crux of the matter was that the bank wouldn’t take the targets away while he was ill. They were always looming over him and that was the catalyst to it all.”

Despite his findings, the coroner was careful to let the ANZ off the hook, ruling that the bank could not actually be held responsible for Smith’s death. According to the family, the ANZ had been given access to the report before its release, and was able to have some aspects changed. McElrea concluded by merely recommending that the bank consider the "facts" of the case in order to "explore in-house" how it could handle a similar case differently. He also suggested the bank should reconsider the practice of publishing employees' performances for other staff.

In the absence of any finding of culpability, the ANZ has been able to dismiss the report with barely disguised contempt. The bank's public affairs manager Steve Fisher said it would study the coroner's recommendations but flatly denied the bank had acted improperly in handling the case. "We believe the coroner's report...is actually quite supportive of the bank and the way we acted throughout the two-year period," he told National Radio. Fisher said the ANZ would undertake a "review process" on the case but dismissed as a "strange recommendation" the suggestion that it should look at ways to handle similar cases differently. "The coroner did rule that we had appropriate health and safety policies in place and some pretty sophisticated employment practices as well....We think we handled ourselves pretty well", he declared.

Fisher also discounted as "absolutely incorrect" claims from the financial sector union, Finsec, that the ANZ set unrealistic expectations for its staff. Sales targets were based on "160 years of banking experience and the sorts of levels that high achievers can sell," he said. "They are stretched targets, but they're supposed to be challenging benchmarks." He denied the ANZ was pushing its staff too hard, and asserted that Smith could have "thrived" on the challenge, had he not been suffering from depression.

Don Farr, a spokesman for Finsec, said stress within banking was a "serious issue". The union had 8,000 members working in banks and was contacted by at least one employee a week complaining of work stress-related issues. "This is why banks have such high worker turnover because that's how these problems are resolved. People resign." Farr claimed that "performance measures" should reflect sick leave, level of training, level of support and items such as other resignations. He said the only "humane way of doing it" was to acknowledge the individual and set performance targets according to each person. "The whole process has to be approached from the other end, with the worker in mind."

In fact, the circumstances surrounding Michael Smith's suicide point, not only to the callousness of the bank but to the key role of the unions. During the past two decades, the unions have been complicit in overseeing job destruction programs while implementing the very systems of workplace management that have been used to impose speed-ups, "efficiency" gains and productivity increases throughout all industries. Unions have often helped design these regimes, and trained their delegates to act as non-commissioned officers in assisting with their implementation.

There is no "humane" method for carrying out so-called "performance" measures, which are management tools for enforcing work discipline and forcing up the rate of exploitation. Workplace stress has become endemic in the financial sector, as ruthless competition has driven company takeovers, branch closures and seen thousands of jobs destroyed.

Through this process, the banks have garnered massive profits. In late April, the ANZ Banking Group announced in Sydney that its recent first half yearly net profit had climbed 17.3 per cent to $A1.05 billion ($NZ1.3 billion). The record result for the six months to March, driven by "strong credit card revenues and cost controls", exceeded analysts' forecasts of $A1 billion. It compared to $A895 million previously, and places the ANZ on track for a full-year forecast profit exceeding $A2.035 billion. The bank's New Zealand operations registered a profit of $NZ198 million for the six-month period to March.