



# Data Distress: Is the Data Office on the Brink of Breakdown?

How US and UK Data Leaders in Banking and Financial Services are Facing Data Burnout

Summer 2023



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## Executive summary

**64%\*** of senior global data leaders within financial services firms are currently experiencing high levels of data-related stress in the workplace.

**87%\*\*** say that this stress has affected their mental health and well-being, with 74% having taken sick days as a result of it, and 61% enduring 2 to 6 nights of disrupted sleep per week.

And this anxiety has prompted **71%\*\*\*** to consider quitting their jobs.

These are some of the worrying top-line statistics from new research we conducted in collaboration with market-research firm Censuswide.

See the appendix for further details of the survey, which involved 300 senior data leaders across the US and the UK in the financial services sector answering a series of questions on their levels of data-related stress and their views on contributory factors and possible remedies.

In this white paper we review more of these statistics, including the top three causes of data distress:

- Too many disparate and siloed sources of data (33%).
- The risk of fines relating to data governance and regulatory compliance (31%); and
- Establishing the appropriate sources of data for a task in hand (31%).

We perform an analysis based on clustered themes, which reveal overwhelming trends, such as:

- A broad area we've defined as 'data ambiguity and uncertainty' being the most significant cause of data-related stress, with 82% of respondents choosing at least one option that falls within this umbrella category; and
- An area we designate 'tech deficiencies' being the most significant category of reason cited for why managing data for financial regulations is so time-consuming and stressful – 93% of respondents chose at least one of these reasons, with 'lack of data management tools' at 47% being the most chosen.

And we consider what this means for financial services, a sector that affects all areas of industry.



Philip Dutton, CEO

Philip Dutton, CEO and Founder of Solidatus, warned that all these factors contribute to data unreliability and uncertainty and, ultimately, high levels of stress. He said:

*'Data has become the lifblood of organizations, driving innovation and decision-making. However, the relentless demands and pressures faced by data leaders have given rise to a mounting crisis: data distress. This is particularly the case in the highly complex, highly regulated world of financial services, where our research found high levels of workplace stress, which is having a significant impact on mental health.'*

*Left unchecked, this could have serious consequences across the organizations that rely on the expertise and leadership of these individuals, for example, risk of non-compliance and fines from regulations.'*



For the benefit of non-industry and data insiders reading this report, we'll get started by quickly clarifying what we mean by 'data practitioner'.

\* 64% combines 'Always high' and 'sometimes high'.

\*\* 87% combines 'Significantly impacts' and 'Somewhat impacts'.

\*\*\* 71% combines 'Strongly agree' and 'Somewhat agree' that 'this level of stress makes me want to leave my job'.

## A note on data practitioners

As data, the regulations concerning its appropriate use, and the systems required to host, access and analyze it have proliferated in the past decade or two, so too have data management and data governance as disciplines. People working in these areas of expertise, as well as in related and overlapping fields such as data analysis and data architecture, can be grouped together under the general term of 'data practitioner'.

You can read more about 'data management', 'data governance' and associated terms in our recently published eBook, [Key concepts in data governance and management: an A to not-quite-Z guide](#).

Our definition of 'senior data leaders', the people we restricted this survey to, are those at or near the top: business owner, C-suite or director-level, they will typically have teams below them, be the primary or sole decisionmaker, and have job titles such as 'chief data officer' ('CDO'), 'chief data and analytics office' ('CDAO'), 'chief information officer' ('CIO'), or directors and heads of in these areas, with responsibility for data management and/or data governance.

We also restricted the survey to banking and financial services, although these jobs are common in large organizations, particularly in heavily regulated industries.

## Bleak backdrop

*'With the explosion of generative AI and other powerful new data tools, chief data and artificial intelligence officers (CDAIOs) are more important than ever as companies navigate this new landscape. Too many, however, are set up to fail by poor alignment, lack of trust, not enough focus on business opportunities, and how their job is understood internally.'*

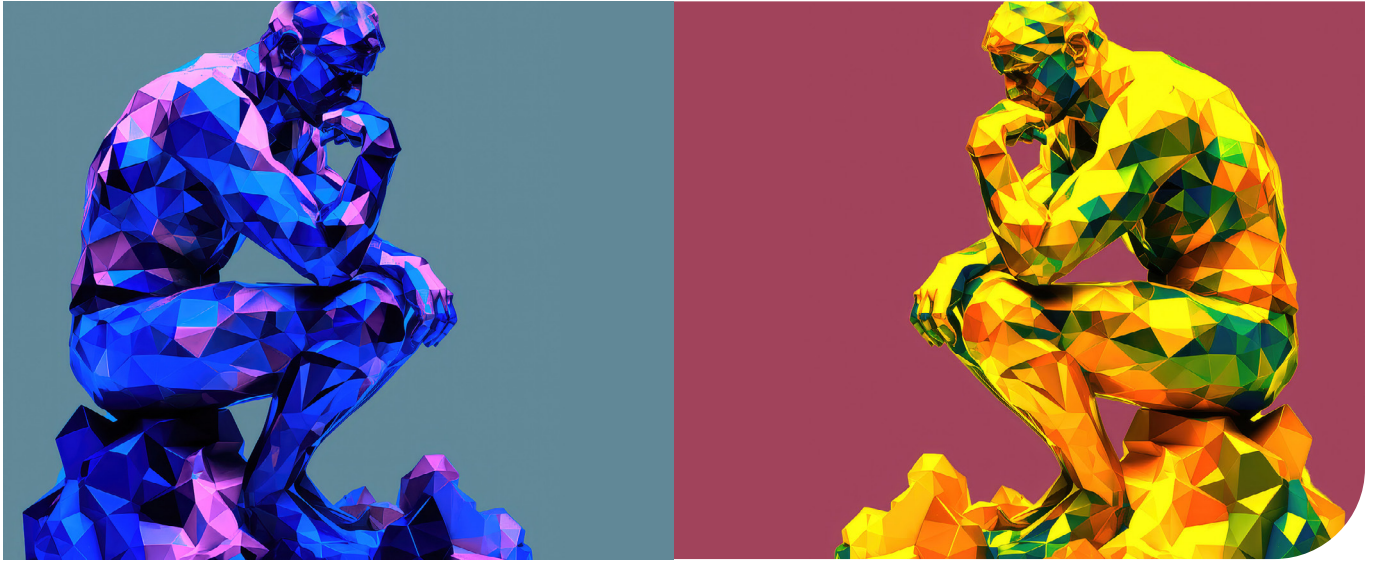
With references to trust and business opportunities tying in closely with our findings, this bleak assessment is the start of the summary that features at the top of a recent Harvard Business Review article entitled [Why chief Data and AI officers are set up to fail](#).

Published in January this year following the release of ChatGPT and hugely increased public awareness of AI, it focuses on a new role: the CDAIO. But the implications are clear: AI is here to stay and CDOs

and other data practitioners are going to have to incorporate it into their work.

Of course, the focus of our white paper isn't AI; it's broader than that. But we cite the above summary, which was co-written by Allison Sagraves, who was the founding CDO at M&T Bank, to illustrate a wider point about data proliferation and how it's affecting senior data leaders.





## Impact on job satisfaction and performance

Data distress is taking its toll on the job satisfaction and performance of today's financial services data leaders – 80%\* said the high level of stress at work impacts their ability to do their job properly, rising to 86%\*\* among 25- to 34-year-olds.

There's evidence that the less time you are in a job, the more stress you experience and the greater the urge you have to quit your job: while 71% of respondents

said this level of stress has made them want to leave their job, this increases to 79%\*\*\* for those who've been in their role for only one to four years.

Where churn is quite high for newer recruits, this data distress is a likely hidden factor.

## Data distress caused by pressure from the top

Data distress is not just experienced by data leaders in financial services. 70% of global business leaders (including from the US and UK) say the headache of having to collect so much data and interpret it is too much for them to handle, according to recent research by *Oracle and Seth Stephens-Davidowitz*. While 97% want help from data, 72% admit the sheer volume of data and their lack of trust in it has stopped them from making any decisions.

Looking at the general population for the purposes of benchmarking, we can see from a *2020 survey* published by The American Institute of Stress that:

- 29% of workers felt quite a bit or extremely stressed at work.
- 26% of workers said they were 'often or very often burned out or stressed by their work'.

These are worryingly high percentages, but these averages are those associated with senior data leaders, suggesting that this is an under-recognised problem.

So back to the data from our research...

\*80% combines 'Significantly impacts' and 'Somewhat impacts'

\*\*86% combines 'Significantly impacts' and 'Somewhat impacts'

\*\*\*79% combines 'Strongly agree' and 'Somewhat agree' that 'this level of stress makes me want to leave my job'

## Clustering: clear themes emerge

From conducting our more granular analysis, a number of interesting broader themes emerged.

This brings us to the idea of themed clusters. In clustering, we looked at the percentage of respondents who had chosen at least one of the answers within each cluster, but of course, they often selected more than one answer.

We'll now break our analysis down into four areas:

- Chief causes of data-related stress.
- Why managing data for financial regulation is so time-consuming and stressful.
- Resources that could make life easier for stressed practitioners.
- What practitioners would like to spend more time on.

If we think of data distress as being the 'what', we can consider the 'why' to be this first area – the chief causes of data-related stress – with the subsequent three areas being 'whys of the why', so to speak.

### Could data distress be costing global banks \$1 trillion per year?

“Lack of data trust, decreasing efficiencies, increases risk and ultimately creates data distress. With such a seismic shift in organizations' data, and regulatory and change environments, a totally new operating model needs to be deployed, supported by modern data management tools designed to cope with infinitely connected and complex environments within financial organizations. Urgent action is needed to deal with data distress and protect the mental health of the custodians of organizations' most valuable asset – their data.

Organizations' data management foundations and supporting structures need to be replaced to enable simplicity, transparency, and understanding to promote implicit data trust. Only then will data leaders operate in a sustainable environment free from data distress.

What's more, if the pressure to go faster continues to induce data distress, with tactical firefighting and fine avoidance being the default, productivity and opportunity discovery will be stifled.

With global banking estimated to be worth around \$20 trillion per year\*, even as little as a 5% drop in strategic activity due to **data distress represents a \$1 trillion reduction in value.**

**Philip Dutton**, CEO and Founder of Solidatus

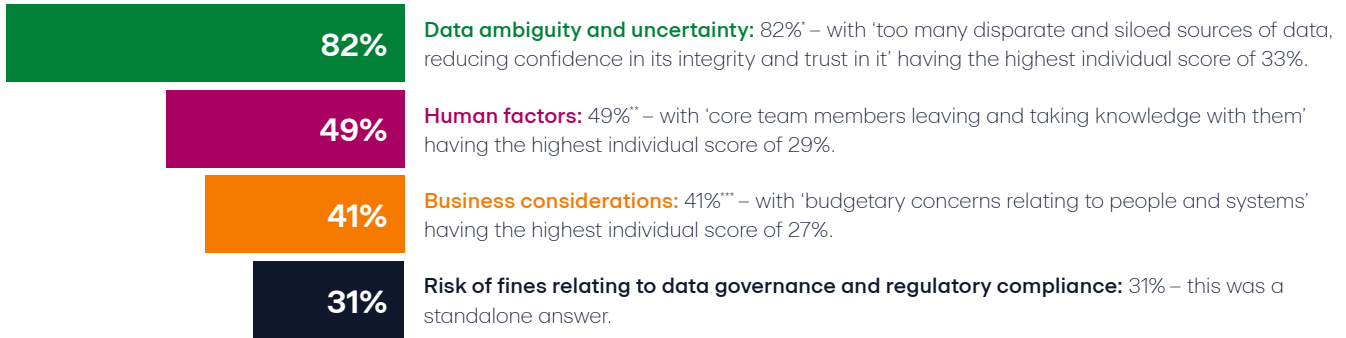
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\*In September 2021, Investopedia said that 'Market estimates project that by the end of 2021, the financial services market is likely to reach \$22.5 trillion'. In an article entitled *Financial Services: Sizing the Sector in the Global Economy*. See also *McKinsey's Global Banking Annual Review*, published December 2022.

### Chief causes of data-related stress

To those respondents who experience stress in the workplace, we asked: 'What are the main causes of your data-related stress in the workplace?'

We saw a concentration of pain points in these areas:



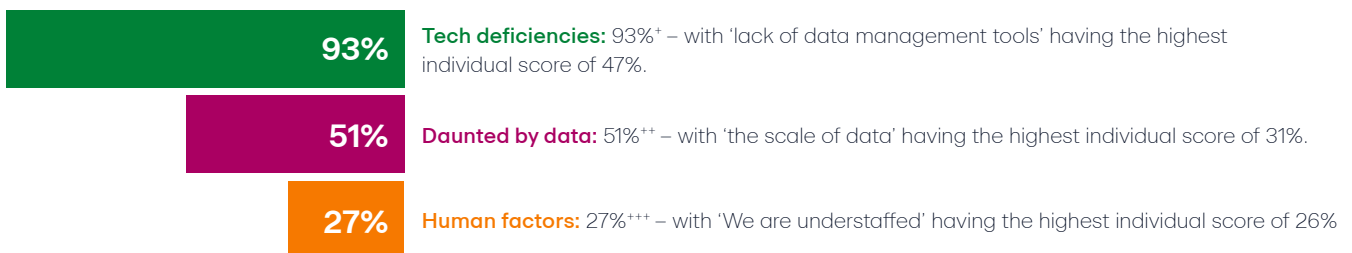
82% is a huge proportion. Is data ambiguity and uncertainty really a valid catch-all term for every item in that bucket, though? We'd argue that it most definitely is – in addition to the option shown above at 33%, the other options were 'establishing the appropriate sources of data for a task in hand' (31%), 'determining the meaning and validity of data' (30%), 'knowing whether I'm actually allowed to use the data to which I have access' (also selected by 30% of respondents), and 'lack of availability of data' (21%).

From the conversations we have day in, day out with practitioners, these are all familiar pain points in our space. All of them tick the 'data ambiguity and uncertainty' box in our view, and they are concerns that data practitioners – and their businesses – will want to address as a matter of urgency using tools that increase data transparency and findability.

### Why managing data for financial regulation is so time-consuming and stressful

'Thinking about managing data for financial regulation, which of these [12] factors contribute to it taking as long as it does and being stressful?' was another key question faced by survey respondents who experience stress in the workplace.

Here are the headline figures:



Despite 83%<sup>\*\*\*\*</sup> feeling confident about their company's ability to collate and report the right data for regulatory requirements, it still takes too much time. Almost a third (32%) of respondents say their team spends four to five hours per week managing data for financial regulations. Nearly three-quarters (73%) believe that up to half their time in this pursuit is wasted through inefficiencies, such as poor systems and data.

These factors help to explain the 93% headline figure above for the tech deficiencies cluster. Other options chosen in that bracket included 'our data sets are all in siloed systems' (34%) and 'we don't have a good view of our full data estate' (32%).

<sup>82%</sup> combines respondents who selected any of: 'Data ambiguity and uncertainty'; 'Too many disparate and siloed sources of data, reducing confidence in its integrity and trust in it'; 'Establishing the appropriate sources of data for a task in hand'; 'Determining the meaning and validity of data'; 'Knowing whether I'm actually allowed to use the data to which I have access'; and/or 'Lack of availability of data'.

<sup>49%</sup> combines respondents who selected either of: 'Core team members leaving and taking knowledge with them'; and/or 'The headache of maintaining data integrity and minimising human error'.

<sup>41%</sup> combines respondents who selected either of: 'Budgetary concerns relating to people and systems'; and/or 'My business doesn't value or fully understand data'.

<sup>93%</sup> combines respondents who selected any of: 'Lack of data management tools'; 'Our data sets are all in siloed systems'; 'We don't have a good view of our full data estate'; 'We have out-of-date systems'; 'High level of manual intervention'; and/or 'Some of our data sets still exist in Excel spreadsheets'.

<sup>51%</sup> combines respondents who selected any of: 'The scale of data'; 'Lack of terminological standardization and consistency'; 'Time spent finding out where good quality data is'; and/or 'Lack of trust in available data sources'.

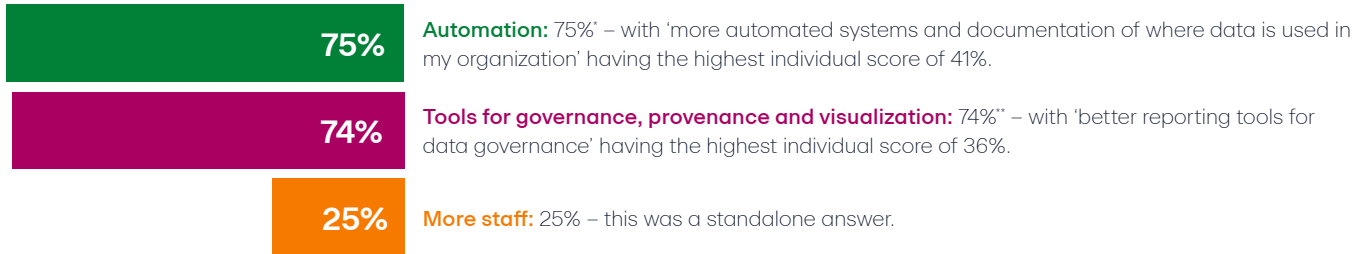
<sup>27%</sup> combines respondents who selected either of: 'We are understaffed'; and/or 'Low adoption of data governance tools (The information isn't in there or is out of date or I don't trust it)'.

<sup>83%</sup> 'Very confident' and 'Somewhat confident'.

### Resources that could make life easier for stressed practitioners

To get a feel for practitioners' priorities when it comes to direct remedies to their stress, we asked: 'What data-related resources, if any, would make your job easier?'

Here are the headline figures, which incorporate the answers of the 11 respondents who had said they experienced no data-related stress:



While a quarter of respondents felt they would benefit from a higher headcount, this was a comparatively unpopular choice, even when weighed up against individual options, as opposed to clustered themes. Far more important in most practitioners' minds are tools, whether they automate, or help with governance, provenance and visualization. We needn't dwell on this here as we cover it in the next chapter.

### What practitioners would like to spend more time on

Reducing stress is one thing. But given that stress is so often associated with a sense of there not being enough hours in the day, what would respondents do with their newly freed-up time?

To answer that question, we asked: 'What, if anything, do you wish you could spend more time on if you had the right systems in place to better manage your data?'

These are the main areas of their operations that practitioners felt would be enhanced as a result of alleviating data distress:



While 34% of respondents said they'd like to focus on a better work-life balance, it's interesting that the majority focused on business-related answers. This strongly suggests that if they were able to concentrate more on business, strategy and innovation, other things in their lives would fall into place.

For anyone with a demanding job, this will ring true: the happier, more productive and more successful you are at work, the better the general state of your mental health.

We've looked at the problem. What's the solution?

<sup>75%</sup> combines respondents who selected any of: 'More automated systems and documentation of where data is used in my organization'; 'More automated systems and documentation of dataset availability'; and/or 'Increased level automation for data management'.

<sup>74%</sup> combines respondents who selected any of: 'Better reporting tools for data governance'; 'Platforms presenting a clearer picture of the sources and provenance of this data'; and/or 'Better visualisations of data and metadata'.

<sup>75%</sup> combines respondents who selected either of: 'Focusing on innovation'; 'Providing data-derived value and insights to the business'; 'Focusing on strategy'; and/or 'Proactive investments/initiatives' s who selected any of: 'More automated systems and documentation of where data is used in my organization'; 'More automated systems and documentation of dataset availability'; and/or 'Increased level automation for data management'.

<sup>73%</sup> combines respondents who selected either of: 'Improving operational and systems efficiency'; 'Streamlining data flows and demolishing silos'; 'Strengthening data-related resilience'; and/or 'Eliminating duplication and the need for time-consuming reconciliations'.

# From data distress to data *de*-stress: starting to tackle the problem

The first step in addressing a problem is to acknowledge it. The good news for the respondents of our questionnaire is that they do, at least when doing so anonymously.

If you're in the same boat, the second step will help you as well as them, and it's this: recognising that the remedy is a process rather than an event, and taking subsequent steps at the right pace.

We'd argue that this process involves appraising three broad and overlapping areas:

- Your general approach to promoting good mental health.
- Good practices in data governance and data management.
- Your tech stack and methodology.

There's actually a fourth too – increased time and resources in the workplace – but as there's not *much* you can do about that on your own, let's look in turn at the three you *can* control.

## Mental health



**Danielle Haig**

Danielle Haig is an independent business psychologist who coaches senior business leaders. A director at [DH Consulting](#) in London, she specializes in leadership development.

In response to this research, she said: *'In today's data-driven world, the abundance and chaos of information is having a severe impact on data leaders. The sheer volume, velocity, and variety of datasets available are overwhelming and taking a toll on their mental health and well-being.'*

*To navigate this data deluge, it is crucial for data leaders to prioritise self-care. By fostering a healthy work-life balance and seeking support with the right tools and techniques, which increase their capacity to make better decisions that they're more confident in and to de-risk, they can maintain their mental stability, manage their spiralling datasets and lead with optimism, clarity and resilience.'*

So the message is clear: self-care should come first. But that will only work if you also address the next two areas.



## Data governance and data management

Tips on good practice in data governance, even if only high-level, could fill a whole separate eBook, so we won't list them here.

Instead, we'd draw your attention to just that: a short eBook we recently published on this subject, [\*Restoring certainty in your data: lineage, governance and best practice.\*](#)

We're champions of connected governance, a way of operating that deploys a lineage-first approach. This starts with building a lineage model. This allows you to develop a data catalog, prioritizing areas of focus and the critical data elements (CDEs) within it, rather than starting with your catalog. You can then identify data controls and develop a shared understanding, and set up a regime for monitoring changes before they impact outputs.

This proactive data management promotes rapid gains in knowledge and shared understanding, immediate clarity and focus on the critical data you need, immediate benefits in change management, and a better basis for designing data into the future.

To experts in this area, much of the content and ideas will be familiar, but this is a fast-moving field, and good practices are evolving. Which brings us to the technology that's fuelling this evolution...

### Your tech stack and methodology

Clearly, there's no one-size-fits-all piece of software that will alleviate all the stresses and strains of a data practitioner's working day; if there were, everyone else in the tech space would have to go home. Rather, it's about selecting the right combination of tools for the makeup of your team, your data estate and your organization's requirements.

This research demonstrates that, among other things, 75% of practitioners are clamouring for tools for governance, provenance and visualization.

Solutions that help with this, allowing you to assess the lineage of data in your existing setup, represent a big part of the process of identification and implementation of enhanced elements of your tech stack.

This approach is a methodology in its own right; it also promotes better methodology in your wider activities once you have the optimum systems and datasets in place.

In turn, your, your team's and the wider organization's trust in your data – the lack of which is the source of so much anxiety – can be regained, leading to better, quicker and more reliable decisions, and a hugely reduced risk of fines. So to our conclusion...

## Conclusion: start with baby steps

Business and society are increasingly dependent on data for decision-making, record-keeping and regulatory reporting. Data is proliferating exponentially, a word that's often overused – and *misused* – but is called for in this context. And although advances in AI and ML might help in the future, they'll bring with them their own new problems, while doing little to ease the burden on data practitioners at the coalface right now.

Whether you're in data governance, data management, data analysis or your role straddles these disciplines, your work is cut out for the foreseeable future.

These statements are almost too obvious to make, but we *will* make them because this research brings into sharp focus a stark and unsettling reality: senior data leaders in one of the most important and data-heavy sectors – banking and financial services – are in dire need of change that more favourably supports their mental health and brings them back from the brink.

So perhaps it needs saying.

Of course, we can't change everything all at once. But understanding the scale of the problem and discovering which factors are most painful mean we can start the healing process and identify priority areas for improvement.

It's clear from this research that data leaders are crying out for:

- Technologies that support their activities by uniting siloes and providing a clearer view of their data estates.
- Support from above to adapt to new methodologies fit for a new era of data proliferation.

In so doing, they'll be able to better:

- Deliver data that they and their colleagues can trust and on which they can base decisions confidently.
- Reveal business opportunities that might otherwise have been obscured in the attempt to demonstrate compliance with suboptimal systems.
- Reduce data distress.

Delaying isn't a viable option if we want to bring data practitioners back from the brink.

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If you're a journalist and would like to learn more about our research, please contact our press office at [solidatus@babelpr.com](mailto:solidatus@babelpr.com)

And if you're a data practitioner, well, there's a whole industry devoted to making your life easier. We at Solidatus would like to play our part in helping to de-stress you and your colleagues, so get in touch at [hello@solidatus.com](mailto:hello@solidatus.com)



## About Solidatus

Solidatus is an innovative data management solution that empowers organizations to connect and visualize their data relationships, simplifying how they identify, access, and understand them. With a sustainable data foundation in place, data-rich enterprises can meet regulatory requirements, drive digital transformation, capture business insights, and make better, less risky and more informed data-driven decisions.

[www.solidatus.com](http://www.solidatus.com)

We provide solutions to several key areas of endeavor, including: governance and regulatory compliance; data risk and controls; business integration; environment, social, governance (ESG); and data sharing.

Our clients and investors include top-tier global financial services brands such as Citi and HSBC, healthcare, and retail organizations as well as government institutions.

## Appendix: research methodology

In the second quarter of 2023, Solidatus commissioned Censuswide, an international market research consultancy headquartered in London, to conduct detailed questionnaire-based research initiated by email to a large pool of potential candidates from their extensive contacts database.

Solidatus wasn't identified as being behind the research but its questions were put to director- and C-suite-level data leaders in the banking and financial services sector in the United States (201 participants) and the United Kingdom (107 participants).

Trends in the data were similar in these two jurisdictions, so we've generally treated this analysis in aggregate.

There was a strict screening process, with filter questions designed to exclude would-be participants who were in the wrong sector or insufficiently senior. And the nine participants who said that their stress levels were 'Not usually high' or 'Always low' weren't asked most of the questions, bringing the base rate down from 308 to 297 for most of the analysis.

In our clustering analysis, we should emphasize that we didn't simply add together the percentages of all answers within a theme, because this would clearly be meaningless. Also, 'none' and 'other' were options for all of these questions, so respondents weren't forced into choosing anything.

### Demographic breakdown of the 308 respondents

