

MARKETS

Banks Curtail Employee Use of Voice Mail

Voice mail is viewed as an expensive vestige of a bygone era

People walk inside J.P. Morgan headquarters in New York. *PHOTO: EDUARDO MUNOZ/REUTERS*

By **EMILY GLAZER** and **DANIEL HUANG**

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Some on Wall Street are hanging up on voice mail.

Under pressure to cut costs and eliminate waste, large lenders including J.P. Morgan Chase & Co., Citigroup Inc. and Bank of America Corp. , are either eliminating or considering paring back a service once seen as essential to bank workers as calculators and business cards, said people familiar with the banks.

Bank executives said that, in a world dominated by email and instant messaging, phone messages are an expensive and unnecessary legacy from a bygone era when sensitive documents were sent via fax and offices buzzed with young workers chatting on their headsets.

The moves also represent another cost-cutting effort by banks following rounds of layoffs, relocation of back-office staff to less-expensive sites and smaller bonuses for some.

At J.P. Morgan, tens of thousands of employees are losing voice-mail capabilities in coming months. Citigroup also is reviewing voice-mail usage to possibly remove the service when it isn't used by employees based on their roles, a person familiar with the bank said. Bank of America also has considered such efforts, a person familiar with the bank said.

“We realized that hardly anyone uses voice mail anymore,” said Gordon Smith, head of

the J.P. Morgan's consumer- and community-banking unit, at a financial conference Tuesday. "We're all carrying something in our pockets that's going to get texts or email or a phone call."

The J.P. Morgan unit run by Mr. Smith, who recently gave up his own landline voice mail, started unplugging the voice-mail boxes of employees earlier this year. Eventually, the unit plans to save \$3.2 million a year as a result, spokeswoman Trish Wexler said. She said the focus is on employees who don't deal directly with clients, such as operations or technology workers.

Voice Mail at the Office: Readers Weigh In



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Readers shared their thoughts on whether voice mail still has a place in the office.

J.T. Leadford

In this day and age people expect a return call 10 minutes before they make their original call.

Mr. Smith said it costs \$10 a month per employee, or \$120 a year, for the voice-mail services his unit uses. The bank declined to name the voice-mail providers.

For the affected employees among the roughly 135,900 in the unit, a new generic message awaits: "You have reached J.P. Morgan Chase; the person you are trying to reach is unavailable to take your call. Please try your call later." The bank also will steer employees to email and cellphones.

J.P. Morgan's investment-banking division also plans to save more than \$5 million a year by eliminating about 30,000 landline voice mails, a person familiar with the matter said. This roughly 50,000-person unit is also focusing on nonclient-facing employees in technology and operations areas, and other support functions like human resources and finance are likely to follow, this person said.

Brian Marchiony, a spokesman for this unit, said the firm isn't going to sacrifice client services to save money. Its goal is to cut \$2.8 billion in overall expenses by 2017. The bank's asset-management unit also is considering voice-mail cuts, a person familiar with the matter said.

Banks aren't alone in silencing voice mails. At technology firms, many employees don't have landline phones, much less voice mail. In December, Coca-Cola Co. eliminated voice mail at its headquarters, pushing callers to use email or cellphone numbers if the employee doesn't pick up.

Phone systems, especially at large, multinational companies, are often expensive to maintain and come with annual support contracts, said Craig Walker, a former Google executive who is founder and chief executive officer of Switch Communications Inc., a cloud-based business-phone system. “The reality is people aren’t sitting at their desks working all day anymore,” he said.

Many people calling on the banks may not notice the change. “There are probably a dozen ways to reach me,” said Bart Naylor at Public Citizen, a consumer-advocacy group and frequent critic of banks. “I feel bad when somebody says, ‘I left you a voice mail,’ but it was one of the platforms that I don’t check very often.”

Michael Schrage, a research fellow at the Massachusetts Institute of Technology’s Center for Digital Business, said recent studies show that most voice messages aren’t played back, particularly among people under 30 years old.

While it is important for many client-facing businesses to maintain voice contact, Mr. Schrage said many firms have eliminated voice-mail functions after weighing the costs and benefits. “Voice mail is the most inefficient way for intraoffice communication,” he said.

Mary Jane Copps, a phone-use consultant based in Halifax, Nova Scotia, said that some things just can’t be replicated without picking up the phone. “You can’t have an in-depth conversation over email because many questions and opportunities stem from what you hear in real time,” she said. After a recent round of sessions she did at a TD Bank branch in Ontario, she said the bank’s small-business advisers were able to turn more of their phone conversations with prospective clients into appointments.

Write to Emily Glazer at emily.glazer@wsj.com and Daniel Huang at dan.huang@wsj.com