

CONDUCT AND CULTURE ACADEMY

Workshop Programme

Since launching in 2018 we have coached over 100 senior conduct leaders from across our membership to help them exceed regulatory expectations, to embed the practical skills needed to effect the changes in conduct risk management and culture required by a regulated firm's board.

Through the current crisis we are already seeing that firms are being held to higher standards of behaviour. Firms are judged both by informal "social proof" and more formal audits of progress. As we return to more stable times, each firm's business strategy and social licence will be reviewed as stakeholders decide how far, under stress, each firm's culture has lived up to its claimed values. **How firms define, measure and manage their culture matters now more than ever, to preserve and indeed rebuild value.**

The Conduct and Culture Academy aims to help delegates get to the heart of this topic to demonstrate how simple but effective changes could transform the way your business behaves.

ACADEMY THEMES AND DATES IN 2020

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|--------------------|---|
| Workshop 1: | Enhanced conduct and culture frameworks to embed best practice and drive value |
| Workshop 2: | Assessing and managing culture |
| Workshop 3: | Building better MI for management and reporting |
| Workshop 4: | Innovative behavioural initiatives to embed conduct and culture and drive value |

COHORT 6

22 September

23 September

10 November

11 November

CONTACT US

You can book your place on our website:
www.ukfinance.org.uk/conduct-and-culture-academy

Alternatively email us for more information:
nick.west@ukfinance.org.uk

PRICING

UK Finance Member:
£3,750 plus VAT per person

Non UK Finance Member:
£4,750 plus VAT per person

WORKSHOP 1

Enhanced Conduct and Culture frameworks to embed best practice and drive value

Workshop outline

- The impact of regulatory evolution: Conduct Risk, SMCR, Culture and Ethics, Reputation
- Exploring the management challenges and value opportunities of good Conduct and Culture: thought vs instinct, integrity vs lip service, long term vs short term goals
- Conduct frameworks that create business value and embed good behaviour: engaging the whole firm to identify and articulate behaviours to reward or crowd out

Workshop detail

- Evolution of latest regulatory thinking: Conduct Risk, Behaviour and Culture and what the regulators are now expecting:
- TCF to SMCR to Culture management
- The mechanics of regulatory failure – how Conduct depends on how we manage Conflicts of interest
- Social licence and shareholder conflicts
- What underpins Conduct and Culture and why is difficult to pin down and measure?
- Absent indicators & leading indicators vs crystallisation of risk
- Demonstrably consistent thinking and acting – impediments, incentives and instincts that drive behaviour
- Lessons from other industries – are we all that different?
- How does a framework help?
- Risk appetite vs embedded values
- Articulating risks and desired behaviours – codes of conduct and culture measures

WORKSHOP 2

Assessing and Managing Culture

Workshop outline

- Meaningful definitions of Culture and indicators to assess and track culture
- Why is Culture a regulatory issue and what does the regulator intend?
- Identifying behaviour that can harm or strengthen it
- How to stimulate business-wide action to enhance culture; reviewing tools, metrics, management

Workshop detail

- Defining culture
- Standard definitions, and examples of good or bad culture
- Behaviour as underpinnings of Culture – indicators of culture and potential assessment methods
- Regulatory approach to Culture and how this is evolving
- Conduct, Culture and Value
- Aside from the regulator, why is Culture key?
- Behaviour (or conduct) as the basis for strategic implementation and value
- Psychology of behaviour
- Instinct and short term goals as key drivers of behaviour that underpin culture
- Bias and flawed information, heuristics that underpin misconduct and Culture
- Focus on behaviours and 'social license'
- Managing culture:
- Competencies to strengthen Culture and key levers to transform behaviour

WORKSHOP 3

Building better MI for management and reporting

Workshop outline

- Linking MI to decisions that drive firm value and meet regulators' expectations – overcoming mindsets that obstruct or foster positive change
- What we need vs what we have: building focused indicators for effective decision-making and governance
- How better MI frameworks both produce and reflect improving behaviour and culture – the real success measure of Conduct initiatives
- How to identify or enhance metrics that strengthen conduct, culture and decision-making to support long term value – applying the conduct lens to the full value chain

Workshop detail

- Planning and designing effective MI
- Mindsets that obstruct or foster positive change – vested interests and "number comfort"
- Linking MI to ultimate Long term value, however indirectly
- Scalar vs linear indicators; adaptive dashboards and data integrity principles
- What we have vs what we need
- Using a behavioural lens to turn old backward looking indicators, into pre-emptive leading indicators
- Asking better questions
- Impact of better MI on Culture and implications for business management
- As Critical analysis, interpretation and thought provocation tools
- Balanced MI methodology – pictures, not triggers
- Prioritising new and enhanced metrics – the benefits of newTech.
- How to design better metrics
- Examples and exercises from industry

WORKSHOP 4

Innovative behavioural initiatives to embed conduct, culture and drive value

Workshop outline

- Connecting leadership skills to SMCR and business value; define, measure, reward desired behaviours at all levels
- Identifying value creative conduct: 'moral courage' to change practices, learn lessons, challenge status quo, foster feedback
- Examples of tools, concepts and workshop content to build understanding and competencies at all levels
- Competency frameworks to embed Conduct and Culture: align behaviours to training, reward models, firm values, goals and stakeholder expectations

Workshop detail

- Connect behaviours to SMCR, other elements of accountability and link to value:
- Link to regulatory imperative and goals of the firm – both sustainable long term financial value and espoused values, accounting for external costs
- Examples from other industries
- Leadership skills to unlock neglected human capital value in all staff:
- Prioritise, recognise, define and articulate desired behaviours at all levels
- Demonstrate, measure, and reward desired conduct – crowd out perverse behaviour
- Use revised competency frameworks to underpin desired behaviours
- Innovation principles: 'moral courage' to seek out potential future opportunities and threats at all levels, reassess past decisions, learn lessons, challenge status quo

ACADEMY BACKGROUND

Regardless of political turbulence, the 'Conduct regime' continues to extend, covering all financial firms by the end of 2020. The reporting framework for Senior Managers (SMCR) is only the first of three waves of scrutiny: the pressure is on, firm-wide, to be ready to report on behaviour, culture and reputation. The new cadre of 'behavioural regulators' now routinely tours firms' front offices, randomly asking any employee to answer plain questions about personal experience of risk-taking and customer service behaviours. Each firm needs to give early thought to engaging with this challenge, which cannot be managed using a prepared-answer or box-tick approach.

We have reshaped the Academy, responding to this changing landscape of enforcement, as well as to members' needs. Firms that respond effectively to the new regulatory agenda understand the value of full engagement: bringing to the table not only Compliance but also other 'human risk' disciplines, now often including HR, Risk Governance, Financial Crime, and General Counsel.

“Whilst culture will be reinforced through the application of the Conduct Rules, the FCA expects that Boards should be collectively responsible for setting and monitoring firms' cultures. Boards therefore need to ensure culture remains high on their agenda and be able to demonstrate how they satisfy themselves that the firm's culture does not cause harm.” Deloitte

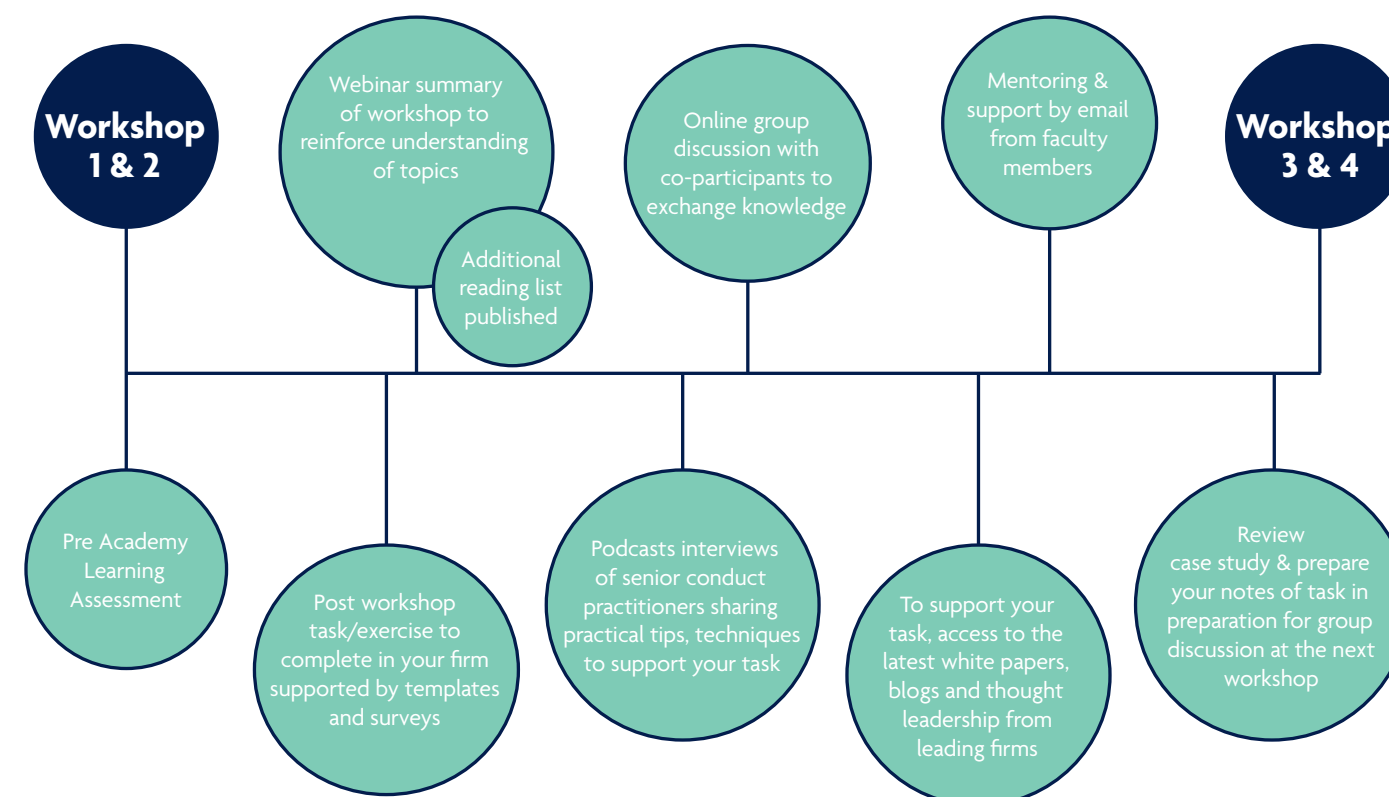
WHO SHOULD ATTEND?

You will benefit from attending if you work within any of the roles listed below:

- **C-Suite and senior managers** responsible for strategy or governance who needs to better understand how the new conduct and culture imperatives driven by regulators affect their business objectives and personal accountability under the Senior Managers and Certification Regime (SMCR);
- **A business or desk head** who now has greater responsibility for managing conduct and culture in their teams and wants to develop their skills to drive sustainable value through better conduct and client relationships, or to better contribute to their firms' overall cultural or values programme;
- **A leader of human resources or learning and development** responsible for driving more effective training and competency regimes aligned with conduct principles, refocussing incentive and leadership programmes and for rebalancing controls relating to codes of conduct or ethics.

THE LEARNING JOURNEY

360 learning journey example



Social Learning

The cohort will be formed of a peer group who will learn from each other's experiences and issues in a confidential and supportive environment under Chatham House rules. As experienced facilitators, the faculty will help the cohort explore individual concerns through frank conversation and 'social learning' where each participant is urged to share practical examples, best practice, concerns and successes from within their own organisation over the course of the programme.

This 360-degree approach will ensure that each attendee can reflect fully on what they have learned, tailor their approach, and test different working practices within their organisation. The aim of the Academy is to offer practical, rather than theoretical, solutions.

Learning by doing

The approach of the faculty will be to encourage 'action learning' or 'learning by doing'. Over the course of the programme the cohort will be encouraged to apply, test and feedback on what they have learned through each aspect of the Academy, sharing their experiences and best practice with the group to benefit from feedback and diverse perspectives. This learning cycle should reinforce better working practices and help the cohort to develop behaviours which put customers and values at the heart of decision making.

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THE LEARNING EXPERIENCE

The Academy programme and content is designed to be agile, immersive and responsive, ensuring that we can understand the challenges faced by the cohort and tailor the programme accordingly.

The three-month programme will feature up-to-date case studies and the latest news issues. It will be grounded in the latest industry information and up-to-date regulatory direction as well as well-established models, to engage innovative thinking.

More pointedly, the faculty will use the cohort's own experiences and challenges to make the programme as dynamic, practical and helpful, as possible.

To include but not restricted to:

- Podcast introductions from the faculty  • Receive detailed faculty feedback on your experiences 
- Q&A session with your faculty and senior practitioners to answer your critical questions 
- Join a live monthly webinar with your faculty  • Benefit from your faculty's close analysis of other cohort participants challenges 
- Carefully curated additional reading and resources so you can take your understanding further 
- Dedicated private forums to discuss your experiences in confidence  • Safe, confidential environment to maximise depth of analysis of real-life challenges 
- Discuss case-studies on relevant topics and issues 

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