



TCC®

Decrypting the regulatory
perspective on conduct & culture

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01 / Why culture & conduct matters



The key to success

- Identifying, measuring and understanding culture
- Undertaking a successful culture change programme
- Healthy culture is good for business



FCA leading the way

- FCA is transforming culture in Financial Services
- FCA Culture Audit, coming soon!
- Industry bodies: FSB, FRC



Increasing global focus

- APRA and ASIC
- New York Fed's Culture Initiative
- Monetary Authority Singapore



It's more important than ever

- Covid -19 impact
- Changing social and economic demands
- Firms with strong culture are more adaptable and resilient

02 / Moving up the FCA priority list



Emerges as key topic on FCA Business Plan 2015/16



FCA Business Plan 2019/20



DP20/1: Driving Purposeful Cultures

- Culture Assessment included within FCA's existing Firm Assessment Model
- FCA response to Covid-19 pandemic

2008

April 2015

March 2018

April 2019

Jan 2020

March 2020

Sept 2020

2021

Culture comes under the regulatory microscope following financial crisis

DP18/2: Transforming Culture in Financial Services



Dear CEO letter: non-financial misconduct in wholesale GI firms



'Messages from the Engine Room': 5 Conduct Questions



03 / The FCA's approach to regulating culture



04 / The latest from the FCA*



Key focus areas for supervisors

Identification of conduct risk

- FCA found day-to-day understanding and identification of CR is “unacceptably weak”
- “A worrying lack of awareness” in a wide range of conduct issues beyond well understood topics
- Firms need to improve their ability to identify and mitigate new sources of conduct risk across all lines of defence and avoid conduct risk fatigue

Remuneration and performance assessments

- Insufficient steps taken to ensure substantive feedback discussions
- Expectation of transparency on promotion decisions
- Lack of clarity on the link between remuneration and good conduct

Leadership and management capabilities

- Employee confusion around corporate and individual purpose, which must be distinguishable from corporate goals
- Supervisory shift to “tone from within”
- Managers to display empathy, self reflection, self awareness, diplomacy and civility

Psychological safety doesn't mean whistleblowing

- “Persistent and significant lack of psychological safety in day-to-day”
- “Speak up and challenge”
- Assurance the firm is listening



What are firms doing to prepare for the FCA's culture audit in 2021?

52%

Revisiting conduct risk frameworks / policies

44%

Training focused on behaviour and 'soft skills'

52%

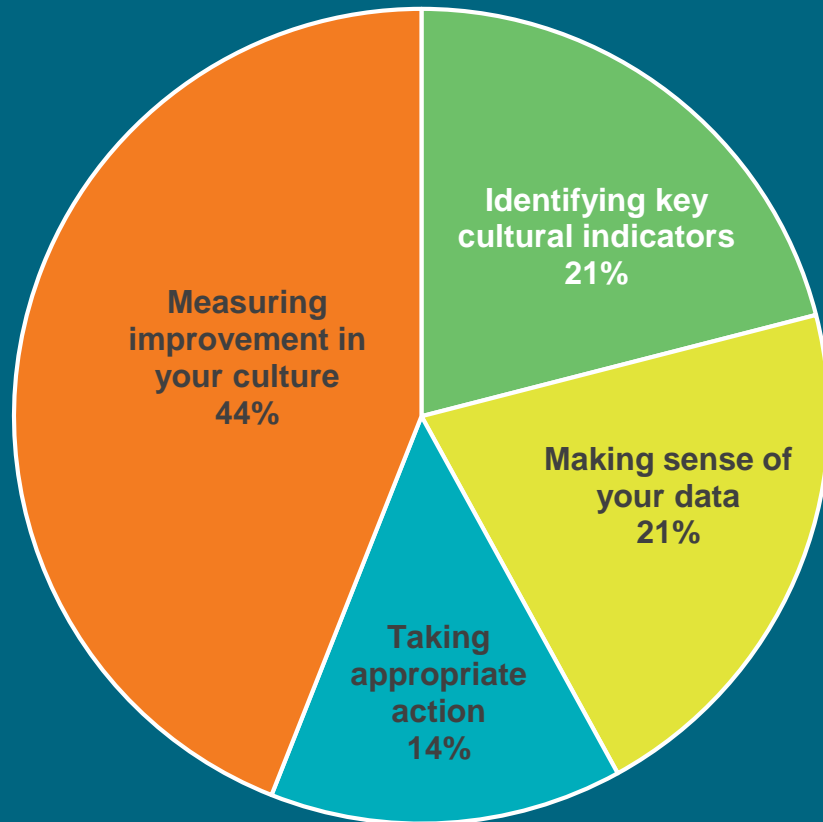
Monitoring conduct risks for trends

40%

Nothing new



What do firms believe is the biggest challenge to delivering a successful culture programme?



Our Hemisphere solution takes care of all these challenges.

Find out more and book a demo to see it in action:

[Discover more](#)

05 / What good looks like: a practical framework for culture



Final thoughts



The FCA's culture agenda has drastically widened in scope



There's been a tangible shift in focus towards purpose



Major challenge in recognising the gap between your existing/
traditional frameworks and where you need to be



How will you then validate your findings and take appropriate and
continuous action?

06 / Introducing Hemisphere

The ultimate solution to decode your culture



What is Hemisphere?

The Hemisphere solution ingests data from across your business and decrypts it using the latest AI and machine learning, giving you the deepest insights into your cultural drivers. Identify and manage your cultural strengths and weaknesses much faster and on a wider scale than ever before.



Risk culture expertise



Big data analytics



Behavioural Science

How will your business benefit?



Mitigate risk

Show the FCA that you're identifying and managing your cultural strengths and weaknesses with irrefutable evidence. You'll get a satisfied regulator and protect your business from risk at the same time.



Drive commercial success

From happier and more productive staff, to more loyal customers, focusing on culture brings rewards that keep on giving.



Spend smarter

Culture is at the centre of a huge number of compliance and HR issues. Identifying and fixing the root causes is a much more efficient and effective use of your budget.

“ Let’s get started.

Book a demo



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