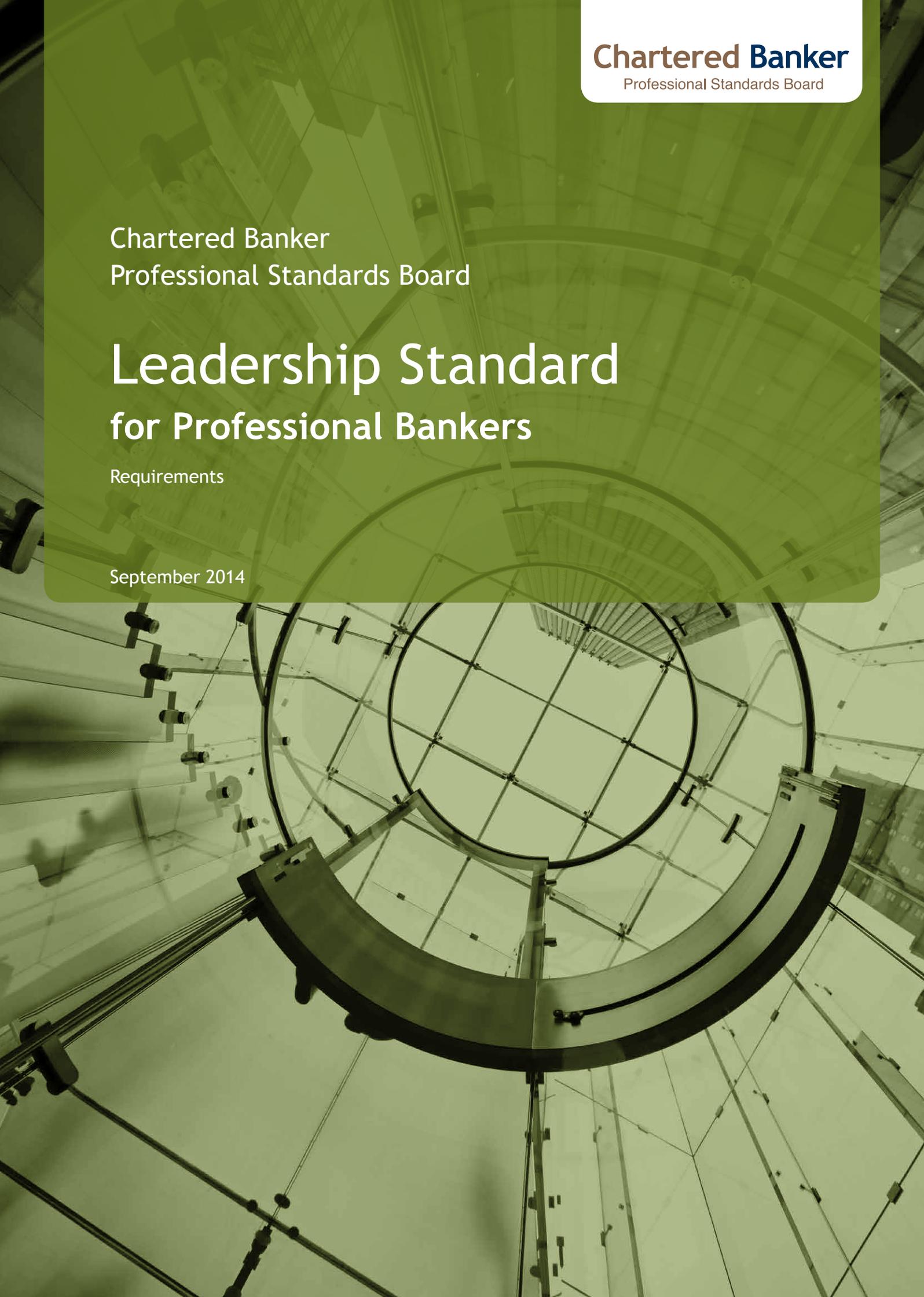


Chartered Banker  
Professional Standards Board

# Leadership Standard for Professional Bankers

Requirements

September 2014



# OVERVIEW

## Introduction

The **Chartered Banker Professional Standards Board (CB:PSB)** was launched in October 2011. It aims to enhance and sustain a strong culture of ethical and professional development across the UK banking industry by developing a series of professional standards at Foundation, Intermediate and Advanced levels. Complementing a series of more recent reforms led by government, regulators and the industry itself, the CB:PSB intends to help build, over time, greater public confidence and trust in individuals, institutions and the banking industry overall, and enhance pride in the banking profession.

The CB:PSB has developed and published the **Chartered Banker Code of Professional Conduct<sup>1</sup>** (the Code), which sets out the values, attitudes and behaviours expected of all professional bankers. The **Foundation Standard for Professional Bankers (Foundation Standard)**, published in July 2012, was the CB:PSB's first professional standard. It sets out the CB:PSB's expectations of all professional bankers in relation to the Professional Knowledge, Skills, Values, Attitudes and Behaviours required by such individuals to apply the Code on a day-to-day basis.

Professional bankers achieving the **Leadership Standard** ("banking leaders") will have been deemed to have met the requirements of the Foundation Standard in full.

## Applies To

The Leadership Standard is aimed at professional bankers, throughout an organisation, with leadership responsibilities for developing, promoting and embedding a culture of customer-focused, ethical professionalism consistent with the values, attitudes and behaviours set out in the Code. This should enhance and sustain public confidence and trust in banks and bankers, and pride in the banking profession.

The Leadership Standard is primarily written for member firms of the CB:PSB and their staff. The Leadership Standard may also be helpful to a wide range of stakeholders who support and value the learning and development of Professional Knowledge, Skills, Values, Attitudes and Behaviours in the banking industry, including:

- **Professional bodies**
- **Universities, colleges and business schools**
- **Training providers**
- **Organisational development consultancies**
- **Employers**
- **Regulators**
- **Government authorities and stakeholders.**

<sup>1</sup> The Chartered Banker Code of Professional Conduct can be viewed in full at [www.cbpsb.org](http://www.cbpsb.org)

## OVERVIEW

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The Leadership Standard is set out in two separate documents:

- Requirements - this document states the Professional Conduct (Values, Attitudes and Behaviours) and Professional Expertise (Knowledge and Skills) needed to meet the Standard and ensure that an individual has the ability to perform a leadership role at a particular level, together with Professional Performance Indicators/Outcomes, which illustrate the required level of workplace competence, and;
- Guidance - this document explains how the Requirements may be met in terms of learning and development activities, assessment and experience. These ensure consistency, as far as possible, in implementation of the Leadership Standard.

The CB:PSB recognises that it is for member firms to determine how the Leadership Standard may best be implemented in their organisation in an enduring manner, consistent with the CB:PSB's expectations and Guidance. The Professional Standards Team will provide advice and assistance to CB:PSB members seeking to implement the Leadership Standard.

Banking leaders responsible for developing, promoting and embedding a culture of customer-focused, ethical professionalism consistent with the Code are expected to meet the Requirements of the Leadership Standard in full. Its application is not limited to those covered by the regulatory Senior Managers and Certification Regime. It may also include significant numbers of professional bankers with leadership and managerial responsibilities. It is also likely to include individuals identified as future leaders.

### **Professional Body Membership**

On achievement of the Leadership Standard, an individual may qualify for membership of the Chartered Banker Institute.

# A PROFESSIONAL CONDUCT REQUIREMENTS

## 1. Professional Knowledge Indicators

Banking leaders should demonstrate a comprehensive level of professional knowledge, supporting the development and demonstration of the appropriate values, attitudes and behaviours consistent with the Chartered Banker Code of Professional Conduct, in the areas set out below:

- a) The importance and key features of an ethical, professional and customer-focused approach in developing and embedding organisational culture as set out in the Chartered Banker Code of Professional Conduct, other relevant employer or professional codes and the regulatory conduct rules;
- b) Impacts of unethical and unprofessional behaviours on individuals, institutions, markets, the banking industry and society;
- c) Models and frameworks for decision-making and risk management which balance economic, social, ethical and legal considerations;
- d) The characteristics of, and approaches to, effective leadership, management and the development of self and others;
- e) The design and application of incentive and remuneration schemes which encourage customer-focused behaviours consistent with the Chartered Banker Code of Professional Conduct;
- f) The principles and behaviours which develop effective relationships with colleagues, customers and stakeholders;
- g) The role of banks as responsible corporate citizens; and
- h) The policies and processes for identifying, reporting and resolving ethical dilemmas, including conflicts of interest and complaints.

## 2. Professional Skills Indicators

Banking leaders should demonstrate a broad range of comprehensive professional skills, including those described below, and apply these in the context of their work in a manner consistent with developing, promoting and embedding a culture of customer-focused, ethical professionalism consistent with the Chartered Banker Code of Professional Conduct, other relevant employer or professional codes and the regulatory conduct rules. Banking leaders should:

- a) Demonstrate ethical and professional judgement, customer focus and balanced decision-making based on the values, attitudes and behaviours set out in the Chartered Banker Code of Professional Conduct and other relevant employer or professional codes;
- b) Drive and lead organisational culture based on the values, attitudes and behaviours set out in the Chartered Banker Code of Professional Conduct and other relevant employer or professional codes;
- c) Consider and hold themselves accountable for the risks and implications of their actions, including any delegation of responsibilities, and advice;
- d) Identify and take steps to avoid or manage potential conflicts of interest relating to themselves and others, particularly where personal gain may conflict with ensuring positive customer outcomes;
- e) Challenge colleagues, including more senior colleagues, when they and/or the organisation may not be acting in a customer-focused manner consistent with the Chartered Banker Code of Professional Conduct, other relevant employer or professional codes, and the relevant requirements and standards of the regulators;
- f) Nurture talent and build capability by inspiring, motivating, developing, empowering, coaching, supporting and leading colleagues with integrity and respect;
- g) Ensure incentive and remuneration schemes encourage positive customer outcomes and behaviours consistent with the Chartered Banker Code of Professional Conduct; and
- h) Welcome feedback and reflect on their own contribution to personal, customer, organisational and wider aims and objectives, and plan development activities to improve these.

# A | PROFESSIONAL CONDUCT REQUIREMENTS

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## 3. Professional Performance Indicators

Banking leaders should take active steps to promote and embed a culture of customer-focused, ethical professionalism that is consistent with the Chartered Banker Code of Professional Conduct, other relevant employer or professional codes, and the regulatory conduct rules, and inspire colleagues and peers to do likewise.

Banking leaders should take steps to promote, as widely as possible, public confidence and trust in banks and bankers, pride in the banking profession and banks' social responsibilities.

Banking leaders should demonstrate their awareness of and ability to apply different approaches to leadership and management to ensure positive outcomes for customers, colleagues and other stakeholders, and an ability to critically reflect on their own leadership styles and performance.

## B PROFESSIONAL EXPERTISE REQUIREMENTS

### 1. Professional Knowledge Indicators

Banking leaders should demonstrate a comprehensive level of professional knowledge in the areas set out below, *regardless of role, function and organisation:*

- a) The purpose, functions, roles and business models of banks and other financial institutions, and their impact on the economy and society;
- b) The general business and economic environment, the risks associated with these and their impact on banks' customers, operations and performance;
- c) The principles of effective governance, leadership, risk management, direction and control in the context of a bank's obligations to its stakeholders;
- d) The regulatory conduct rules and how these may be effectively monitored;
- e) Risk culture, and how a sound risk culture may be identified, developed and monitored;
- f) Risk governance and risk appetite, key sources of risk, and how these may be effectively identified, assessed, monitored and mitigated;
- g) The causes of bank failures and how these may be avoided.

Banking leaders should demonstrate a comprehensive level of professional knowledge in the areas set out below, *relevant to their role, function and organisation:*

- h) The legal and regulatory frameworks that apply to banking and how they influence the operation of a bank;
- i) Different types of banking products and services, their performance and associated risks;
- j) The principles of effective strategy development and implementation, including change management; and
- k) The impact, use of and risks associated with information technology in current banking practice.

### 2. Professional Skills Indicators

Banking leaders should demonstrate a broad range of comprehensive professional skills, including those described below, and apply these in the context of their work in a manner consistent with developing, promoting and embedding a culture of customer-focused, ethical professionalism consistent with the Chartered Banker Code of Professional Conduct, other relevant employer or professional codes, and the regulatory conduct rules. Banking leaders should:

- a) Apply critical thinking and professional judgement to develop, communicate and monitor the implementation of appropriate principles, policies, frameworks and procedures across their organisation to support customers, colleagues, shareholders and stakeholders;
- b) Balance a range of potentially conflicting priorities to solve problems and deliver sustainable business performance and improvement;
- c) Deal with complexity, provide vision, innovate, develop and execute strategy, including transformational change; and
- d) Communicate, influence, advocate, negotiate, collaborate and interact appropriately and effectively with customers, colleagues, regulators and others.

## **B** PROFESSIONAL EXPERTISE REQUIREMENTS

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### **3. Professional Performance Outcomes**

Banking leaders should take responsibility and accountability for ensuring the effective long-term performance of their organisation, or the part(s) of it for which they are responsible, in line with the knowledge and skills outlined above. In their day-to-day activities, decision-making and conduct, banking leaders should act in accordance with the Chartered Banker Code of Professional Conduct, other relevant employer or professional codes, and the regulatory conduct rules, and inspire colleagues and peers to do likewise.

**Effective Date**

The Leadership Standard is effective from 23rd September 2014

**Review Date**

In the CB:PSB's view, the Leadership Standard is consistent with the UK Regulators' Consultation Paper FCA CP14/13/PRA CP14/14, 'Strengthening accountability in banking: a new regulatory framework for individuals'. The Standard will be reviewed and revised, if necessary, when the FCA and PRA publish their final rules in late 2014 or 2015.

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