

Guidance

to support the implementation
of the **Advanced Standard**
for Professional Bankers

JANUARY 2018

Guide

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Advanced Standard

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Guidance

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A / Introduction

The purpose of this Guidance is to support CB:PSB firms implement the Advanced Standard. It is intended to be of particular benefit to those engaged in developing policies, procedures and systems to support the achievement of the Advanced Standard. It may also be helpful to a wide range of stakeholders who support and value the learning and development of Professional Conduct and Professional Expertise in the banking industry.

Expectations of banking leaders have never been higher, particularly in terms of setting an appropriate 'tone from the top' for their organisation. The Advanced Standard sets an exacting benchmark, detailing the CB:PSB's expectations of senior and experienced banking practitioners. These individuals are, in the CB:PSB's view, responsible for developing, promoting and embedding a culture of customer-focused, ethical professionalism consistent with the values, attitudes and behaviour set out in the Chartered Banker Code of Professional Conduct (the Code) and the Individual Accountability Regime.

Banking leadership competence cannot be achieved solely through gaining relevant banking and/or leadership qualifications, although these are important and are strongly encouraged by the CB:PSB. To satisfy the CB:PSB's

expectations, professional bankers must meet the Advanced Standard in full by demonstrating and applying Professional Conduct and Professional Expertise consistent with the Code.

Gaining a professional standard is not a one-off achievement. Once a professional standard has been achieved, it is revalidated on an annual basis to ensure that individuals continue to meet and demonstrate the Professional Conduct and Professional Expertise requirements set by the CB:PSB.

The Advanced Standard completes the CB:PSB's suite of professional standards, following the publication of the Foundation Standard (2012, reviewed 2016) and the Intermediate Standard (2017).



B / Benchmarking

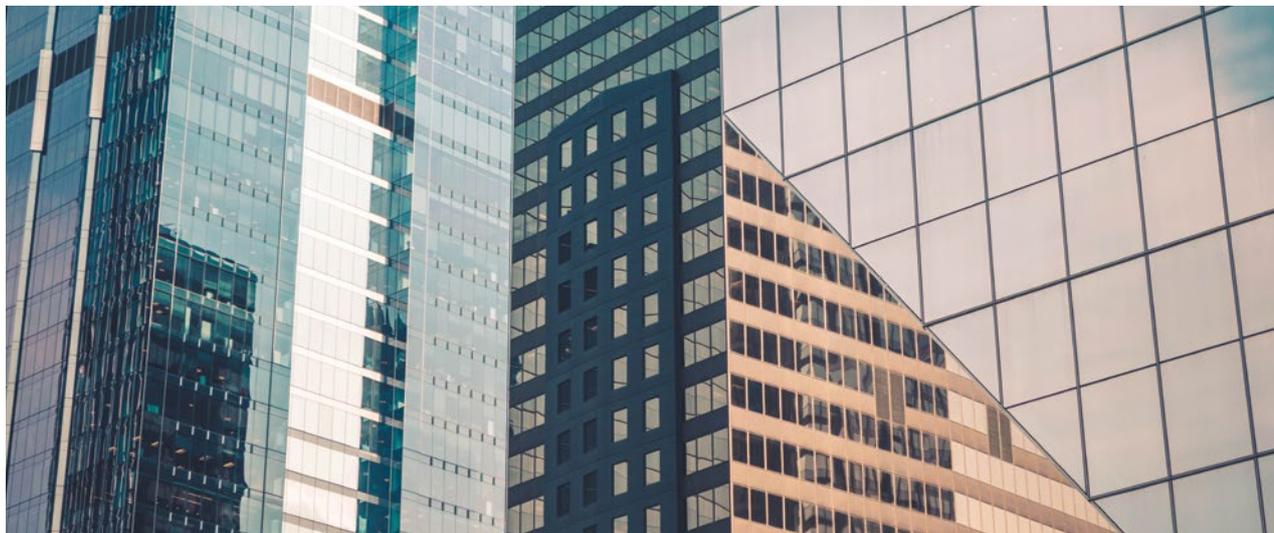
This section provides guidance to help CB:PSB firms benchmark their existing mechanisms for implementing the Advanced Standard. This enables them to:

- compare their existing learning, development and performance management systems for current and future leaders against the requirements of the Advanced Standard;
- identify any gaps in an organisation's existing practice or in supporting the development of professional bankers;
- assist the scoping of new learning and development programmes, in addition to enhancing existing programmes; and
- identify target groups and potential evidence sources to support the monitoring of professional standards.

The Advanced Standard requires professional bankers to demonstrate a comprehensive level of Professional Conduct and Professional Expertise. This requires a level of skill and knowledge at least equivalent to a European Qualification Framework (EQF) Level 6 award, Scottish Credit and Qualifications Framework (SCQF) Level 9/10 award or Qualifications Credit Framework (QCF) Level 6 award.



B / Benchmarking *Continued*

**B**

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The CB:PSB recognises that the EQF is not primarily designed to describe workplace competence. It believes, however, that a general descriptor referenced to a qualification framework provides a helpful tool for benchmarking and comparison, particularly of learning and development activities.

The CB:PSB strongly encourages professional bankers to develop their banking and leadership knowledge and skill by obtaining relevant academic and professional qualifications. Relevant qualifications may help professional bankers meet the requirements of the Advanced Standard.

A desktop review exercise may be conducted by the Chartered Banker Institute's Professional Standards Team (PST), to help CB:PSB firms understand what mechanisms exist and where the gaps are in the organisation's mechanisms or approach.

These activities may include:

- recruitment – including leadership role profiles, competency and value assessments, psychometric tests;
- induction and on-boarding programmes;
- performance management and similar processes – including balanced scorecards, leadership capability assessments, competency frameworks and assessments, leadership behavioural frameworks, 360-degree feedback, job-specific performance, personal development plans, peer benchmarking and exit interview feedback;
- training and development – including leadership learning and development activities conducted by the bank and/or partners, e.g. master classes for leaders, mandatory training, self-analysis, qualifications (current, prior certificated learning, experiential learning and accredited prior experience);
- company mission, purpose, values and code of conduct;
- risk management frameworks and assessments, decision-making models and frameworks;
- regulatory and legal controls relating to the Advanced Standard, e.g. behaviours;
- corporate policies and procedures including corporate communications and CSR;
- customer satisfaction surveys, external stakeholder 'perception' surveys and employee surveys;
- corporate continuous improvement frameworks;
- reporting/escalation mechanisms including whistleblowing;
- Board and executive level leadership, in particular direction and monitoring of the Advanced Standard within the organisation;
- remuneration, reward and recognition; and
- talent management programmes – including leaders' career progression and succession planning.

c / Implementation

It is the responsibility of each CB:PSB firm, with the support of the PST, to define a sustainable and effective approach to implementing the Advanced Standard within their organisation, consistent with the guidance set out in this document.

This section provides guidance on key activities to support implementation, which includes:

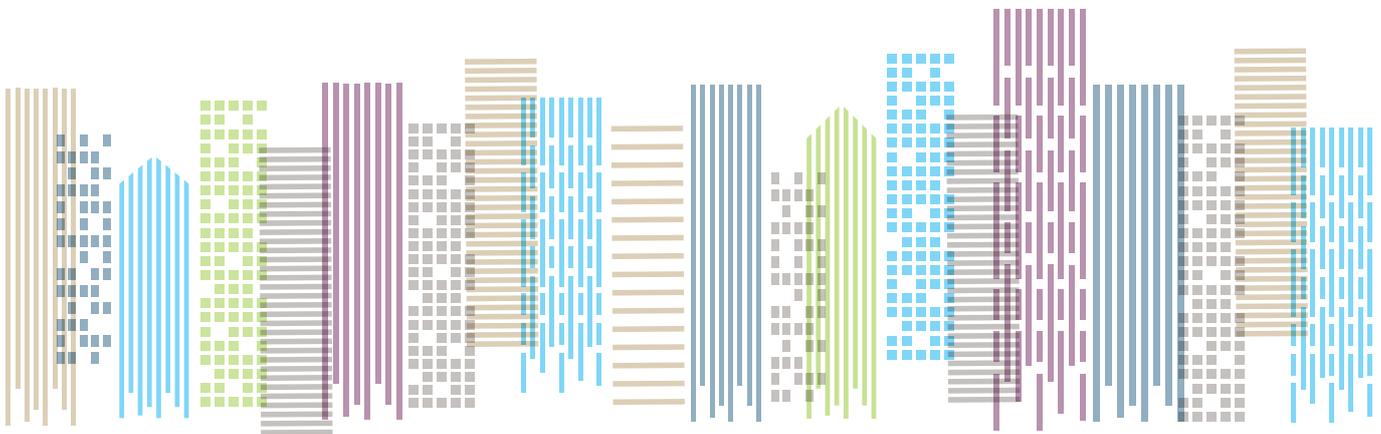
- the scope and applicability of the Advanced Standard;
- how the organisation can ensure alignment to the Advanced Standard;
- learning and development activities that can support achievement of the Advanced Standard;
- recognition of prior learning; and
- Continuing Professional Development (CPD).

Scope and Applicability of the Advanced Standard

The Advanced Standard is aimed at professional bankers, throughout an organisation, with responsibilities for developing, promoting and embedding a culture of customer-focused, ethical professionalism consistent with the values, attitudes and behaviour set out in the Code. The CB:PSB believes this should include the Chief Executive, members of the senior management team and their direct reports, as a minimum. The Advanced Standard is not limited to those covered by the Senior Managers and Certification Regimes. It may also include a significant number of professional bankers with leadership and managerial responsibilities. It is also likely to include individuals identified as future leaders.

It is for each CB:PSB firm to determine, consistent with the guidance set out in this document, the relevant individuals and groups in scope within their organisation. The PST works with organisations to ensure consistency, as far as is possible, in the application of the Advanced Standard across all CB:PSB firms.

While those professional bankers to whom the Advanced Standard applies must meet the requirements of the Advanced Standard in full, it is likely that mechanisms and evidence used by CB:PSB firms to assess achievement of the Advanced Standard may differ.



c / Implementation *Continued*

Organisational Alignment

CB:PSB firms and others wishing to assist professional bankers in achieving the requirements of the Advanced Standard may do so in a variety of ways including, aligning, incorporating and/or embedding the following with the Advanced Standard:

- recruitment and assessment centres;
- induction and onboarding programmes;
- leadership behavioural frameworks;
- competency frameworks and role profiles, as appropriate;
- leadership development programmes and similar;
- performance management and similar processes;
- balanced scorecards;
- corporate strategies and policies;
- risk and decision-making models and frameworks; and
- corporate cultural models.



Learning and Development

CB:PSB firms and others may align their learning and development activities to support professional bankers' understanding and application of the requirements of the Advanced Standard. These may include:

- leadership coaching and mentoring;
- attending seminars, workshops and similar live or online events organised by employers, leadership development organisations, professional bodies and others;
- participating in learning and development programmes provided by employers or others, including classroom-based training, distance learning, e-learning and blended learning programmes;
- utilising leadership tools, e.g. leadership capability assessments, self-assessment psychometric tests;
- self-reflection on personal and professional experiences;
- using case studies/histories and similar materials;
- participating, individually or as a group, in role-plays or simulations where different decisions lead to different outcomes;
- discussing real-life ethical dilemmas and conflicts of interest with colleagues, line managers and others, including the role and use of whistle-blowing mechanisms;
- using ethical decision-making models to analyse real ethical dilemmas arising in the workplace;
- studying and discussing ethical dilemmas from other industries; and
- studying for relevant academic or professional qualifications.

c / Implementation *Continued*

Recognition of Prior Learning

Professional bankers' existing qualifications, professional membership(s) and/or completion of relevant academic or professional programmes, if relevant to their role and responsibilities, and kept up to date, may assist them in meeting some or all of the requirements of the Advanced Standard. CB:PSB firms should ensure they have appropriate mechanisms in place to confirm the extent to which professional bankers' prior learning meets the requirements of the Advanced Standard. The PST may assist in this process.

The CB:PSB Board strongly encourages and promotes professional qualifications.

Continuing Professional Development (CPD)

The development of Professional Conduct and Professional Expertise continues throughout a professional banker's career. It is anticipated that individuals meeting the requirements of the Advanced Standard will seek to develop these further, and will be supported in this development by their colleagues and employers. The CB:PSB strongly encourages membership of a relevant professional body, which provides a mechanism for professional bankers to identify, meet and record personal and professional development needs, including the demonstration of an ongoing commitment to act in a manner consistent with the Code.

Additional Guidance for Line Managers and Other Assessors

It may be helpful to Line Managers and others, when assessing if an individual has met the requirements of the Advanced Standard, to consider the Professional Performance Indicators set out in the standard. Performance management, appraisal conversations, reflective assessments and similar activities can be used to consider the extent to which:

- banking leaders have actively promoted and embedded a culture of customer-focused, ethical professionalism that is consistent with the Code and the FCA/PRA Individual Accountability Regime, and inspired colleagues and peers to do likewise;
- banking leaders have promoted, as widely as possible, public confidence and trust in banks and bankers, pride in the banking profession and sustainable banking;
- banking leaders have demonstrated 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;
- banking leaders have taken responsibility and accountability for their own actions and 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 requirements of the Advanced Standard;
- banking leaders have managed complexity and helped create customer-focused banking of the future by balancing the risks and opportunities of technical innovation.



D / Monitoring

This section provides guidance to help CB:PSB firms understand the processes involved in monitoring and evidencing the Advanced Standard.

Monitoring

The monitoring of professional standards is closely aligned to the implementation process, with both working together to create a cycle of continuous improvement. Monitoring is conducted on a quarterly basis, with a specific focus for each quarter, based on the CB:PSB's aims:

- Quarter 1 – the numbers of individuals achieving professional standards.
- Quarter 2 – processes and procedures to support implementation.
- Quarter 3 – overall commitment to the CB:PSB.
- Quarter 4 – processes and procedures to support monitoring.

Evidence Sources

In order to support monitoring, CB:PSB firms are required to supply evidence. This evidence can come from individual and organisational sources and will usually combine both.

Evidence Sources – Individual

Suggested examples for professional bankers include:

Role-specific performance

- Senior Manager and Certification Regimes reports;
- role profiles;
- previous roles held;
- details of assessment centres attended or overseen;
- agreed objectives for self and team;
- performance review assessments;
- evidence of personal development completion with relevant assessment or review of progress;
- competency-based evidence;
- industry and peer comparisons (customer and employee indicators); and
- scorecards.

Learning and development

- implementation of a solution to meet a training and development need (self and others);
- training and learning interventions focused on knowledge, understanding and application;
- assessment from learning interventions;
- personal development plans with progress made;
- progress made with leadership coach or mentor;
- coaching and mentoring colleagues;
- training others;
- achievement of relevant qualifications; and
- Continuing Professional Development (CPD).

Experience outside banking

- practical experience of running a business, including at board level;
- leadership/management responsibility in strategic planning, budgets, financial and business forecasts, and financial reporting;
- experience or knowledge gained from voluntary and community work;
- experience or knowledge from other work-related activity;
- secondments, particularly involving secondments to customer organisations and/or to relevant regulatory and governmental authorities; and
- business development activity.

D / Monitoring *Cont.*

E / Accreditation

Evidence Sources – Organisational

Suggested examples for CB:PSB firms include:

Corporate

- Senior Manager and Certification Regimes reports;
- Codes of Conduct;
- policies and procedures;
- relevant corporate communications;
- cultural frameworks;
- leadership behavioural frameworks;
- risk and decision-making models and frameworks;
- whistle-blowing mechanisms;
- subscription to the Chartered Banker Code of Professional Conduct; and
- balanced scorecards.

Performance management

- performance management framework;
- competency frameworks;
- reward mechanisms;
- leadership audits;
- metrics linking people and performance management to values;
- talent management programmes;
- recruitment and assessment;
- role profiles;
- exit interviews feedback; and
- peer benchmarking.

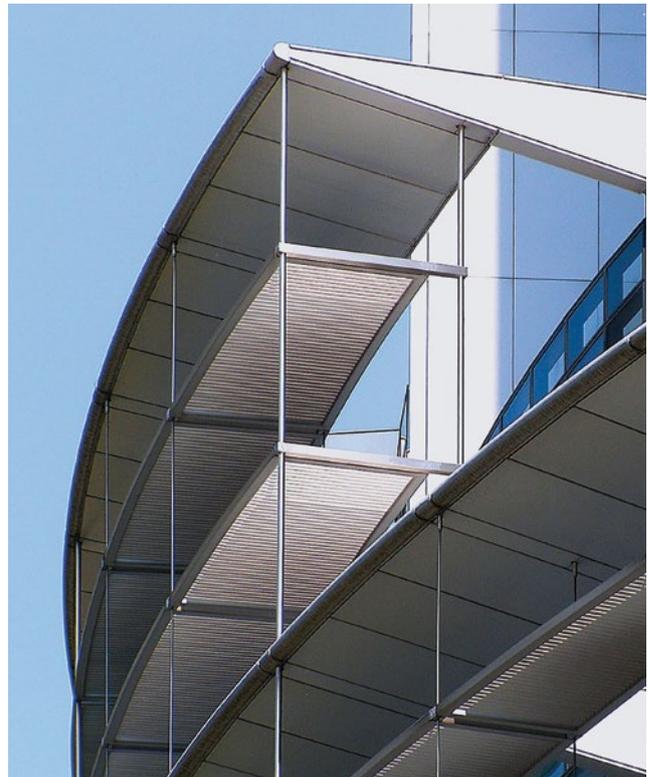
Learning and development

- induction and onboarding programmes;
- leadership and development programmes;
- specific technical knowledge programmes;
- controls for mandatory learning; and
- self-analysis templates.

This section provides guidance on how CB:PSB firms' activities, relevant to the implementation of the Advanced Standard, may be accredited.

The Chartered Banker Institute is able to accredit firms' activities relevant to the implementation of the Advanced Standard. This may include:

- induction and onboarding programmes;
- leadership behavioural frameworks;
- competency frameworks;
- competency assessments;
- leadership learning and development activities conducted by the CB:PSB firm and/or partners;
- qualifications already achieved by professional bankers;
- performance management and similar processes; and
- corporate cultural models.



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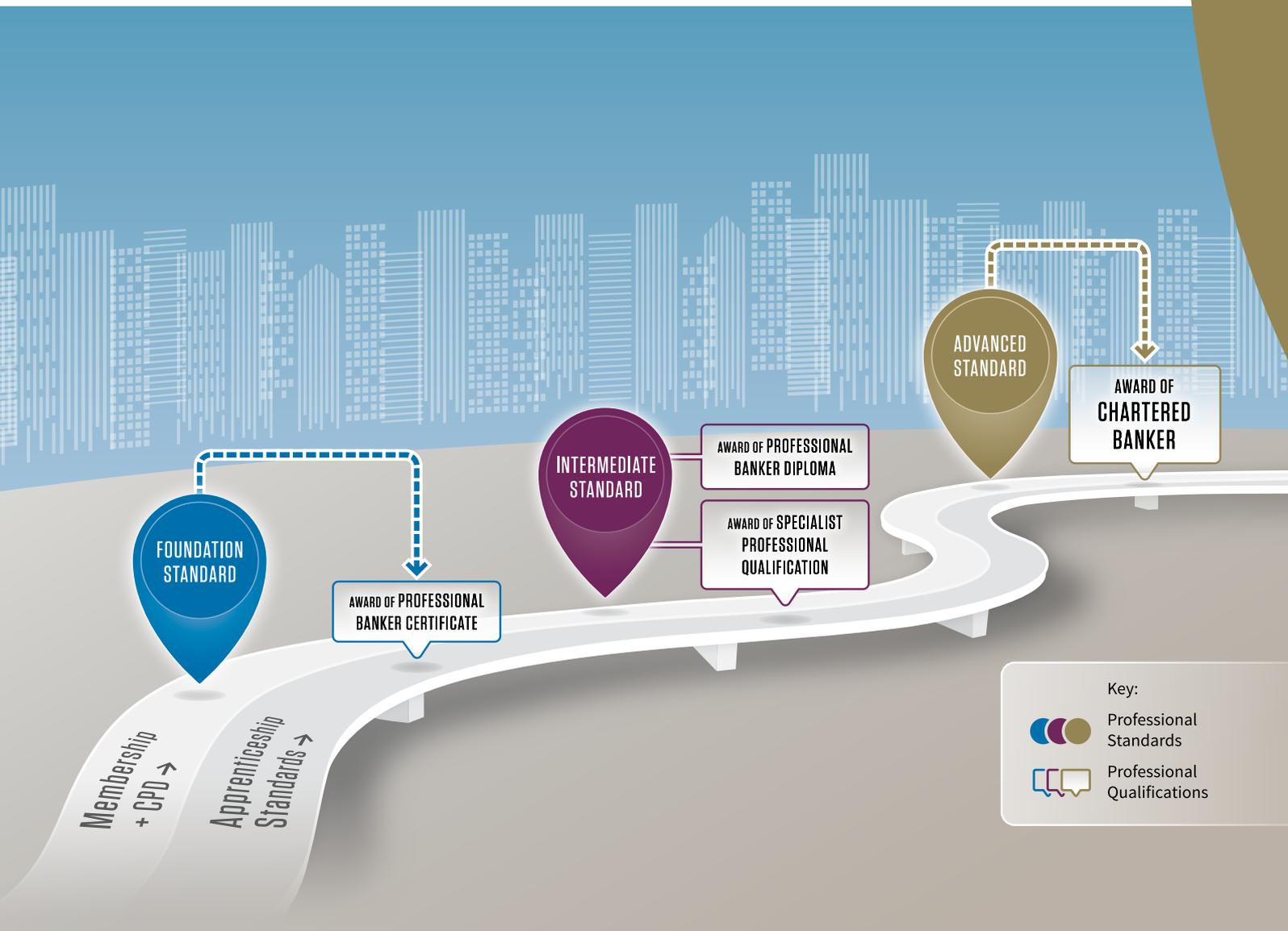
F / Professional Pathways

CB:PSB firms and the Chartered Banker Institute have developed pathways which link professional standards to professional qualifications and professional body membership. This facilitates the on-going professional development of the banking workforce and is a key determiner in rebuilding the banking profession.

On achievement of the Advanced Standard, individuals may progress to Chartered Banker status via the accelerated ‘Chartered by Experience’ programme provided by the Chartered Banker Institute. Individuals awarded Chartered Banker status will be required to meet the Institute’s annual CPD requirements to maintain their status.

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Effective Date

This version of the Advanced Standard Guidance is effective from January 2018.

Review Date

The Advanced Standard Guidance will be reviewed in 2021.

The Chartered Banker Professional Standards Board and Chartered Banker Institute have offices in Edinburgh and London.

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Chartered Banker Institute is a trading name of The Chartered Institute of Bankers in Scotland.

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