

# CHARTERED BANKER

The magazine for financial professionals

Special Report



## *The talent* **CHALLENGE**

**SEARCHING FOR THE BANKERS OF THE FUTURE**

### INVESTING IN PEOPLE

#### **A NEW BREED OF PROFESSIONAL**

Setting the standard

#### **RESTORING PRIDE**

Attracting the best talent

#### **THE RIGHT SKILL SET**

Identifying attributes

#### **ON THE JOB MARKET**

Current competition

#### **TRAIN AND RETAIN**

A rewarding career path

#### **RIGHT ON COURSE**

The Institute's key aims

This Special Report explores the challenges banks face in recruiting, retaining and developing the next generation of talent and in instilling ethical professionalism among all their people. The banker of the future is focused wholly upon the customer and client, and banks must invest in learning and development to nurture the values, attitudes and behaviors demanded of the industry today.

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The Chartered Banker Institute is helping to rebuild public confidence in banks and bankers by developing and embedding high ethical, professional and technical standards. We also provide world-class professional qualifications for the financial services industry in the UK and overseas. In 2011, the Institute launched the Chartered Banker Professional Standards Board ([www.cbpsb.org](http://www.cbpsb.org)) to enhance and sustain professionalism in banking.

The Chartered Banker Institute is the only remaining banking institute in the UK. We are unique in being entitled to award the "Chartered Banker" designation to our qualified members. The Institute also offers a wide range of education tools to support members with Continuing Professional Development.

Stay connected and join us on Twitter (@charteredbanker) and in our official LinkedIn group ([www.linkedin.com](http://www.linkedin.com))

Chartered Banker Institute  
Drumsheugh House, 38b Drumsheugh Gardens, Edinburgh, EH3 7SW  
Suite 208, 1 Royal Exchange Avenue, London, EC3V 3LT  
Telephone: +44 (0)131 473 7777 Email: [info@charteredbanker.com](mailto:info@charteredbanker.com) Web: [www.charteredbanker.com](http://www.charteredbanker.com)  
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# Time for a more long-sighted vision

SIMON THOMPSON, Chief Executive of the Chartered Banker Institute, explains why the greatest challenge for the banking industry remains an ethical one.



Welcome to this Special Report which examines the issues and challenges around recruiting talented people to work within the banking profession – and developing and retaining them within the profession.

Although this report focuses on the issues around recruitment and retention, the greatest challenge for banking remains that of enhancing and sustaining a culture of customer-focused ethical professionalism, based on the professional competence and conduct of all those working in the industry.

With all banks currently working hard to secure a more open and transparent relationship with customers and with society as a whole, it's critical that young bankers grasp the essence of the profession and understand their obligation to act wholly on behalf of their customers and clients, who place complete trust and confidence in them to manage their money.

Bankers are more educated and technically skilled than ever before and although recruiting knowledgeable people is key, the real issue lies in supporting and developing staff so that they can demonstrate the values, attitudes and behaviours now demanded by customers, communities – and their colleagues.

As the Parliamentary Commission on Banking Standards reported last year, it's vital that core banking skills, particularly credit and risk, are taught and developed throughout a banker's career, an area where the Institute, in partnership with the banks, is leading the way. We also lead the way in helping banks develop and embed a professional culture, and in helping bankers at all stages of their careers develop and demonstrate the professional competence and conduct required to support such a culture.

*“The real issue lies in supporting and developing staff in order they can demonstrate the values, attitudes and behaviours now demanded by customers, communities – and their colleagues.”*

A healthy organisational culture is critical. Banking today is, in some ways, a cyclical industry which goes some way to justifying the large salaries paid to some, but by no means all. An industry that offers much lower variables of remuneration with a fair bonus structure but with much greater job security is, to me, the way ahead. Evidence reveals that a bank's reputation is more solid and sustainable with long-serving, fairly rewarded staff.

Furthermore, the emphasis for HR departments, I believe, should be on attracting banking staff who are

committed to working in the profession for the long term. How enlightening would it be for a new member of staff to join a bank in a junior position and have a realistic expectation of running the organisation in 40 years time? That used to be the norm, and it should be again.

One other modern challenge for recruiters is that today's Generation Y would

rather work in an entrepreneurial environment where the perception is that it's a more fun place to work, compared with a bank. It's a factor, although external to banking, which cannot be ignored.

The international dimension to attracting people should not be ignored either. In the past, the UK has recruited many talented staff from overseas, but with faster growing markets elsewhere and perhaps better opportunities in places like South East Asia, numbers are dropping. Young people in the UK are also choosing to work overseas in banking and considering opportunities in a way that perhaps they didn't ten years ago.

While this report examines in some detail what the banker of the future looks like. What's most important is that they understand the universal values on which bankers must be founded – the values of honesty, integrity, prudence, professionalism and stewardship – that perhaps the banking industry lost sight of in recent years, and that the re-emerging banking profession is rediscovering. 

# The **5** key traits of **TOMORROW'S BANKERS**

Banking reform will require a new breed of banker. Stuart Popham, Vice Chairman at Citi, outlines what the next generation will have to do to restore the industry's reputation.

## DID YOU KNOW?

Coverage of professionalism and ethics is embedded in all Institute qualifications.

I was a long-time outsider to the world of banking, although dealing with bankers was a huge part of my professional life. But once I joined the global banking business at Citi, I quickly realised that it is a lot more difficult in the trenches.

I should point out that throughout this article I'll necessarily make some generalisations that should be taken in the spirit in which they are intended.

Financial services have been cast as a pantomime baddie. Such is the climate of public opinion that bankers have lost the right to speak. The industry has to earn back public confidence and its right to respond.

In the wake of the financial crisis I chaired TheCityUK, a body that promotes financial services. I then joined Citi in 2011. What I have found during that time is a lot of talented, hard-working, dedicated people, who find it tough to be judged as having little social value.

What do bankers need to survive and thrive in this radically altered environment? These are the five key traits I think will be essential to the new breed of bankers.

### ETHICS

A strongly developed ethical sense is now a critical characteristic for bankers.

To restore confidence, bankers need

to constantly ask themselves how their actions will affect the wider economy and the public. They need to be mindful of how their actions will be seen by shareholders; are they enabling progress for their clients? Acting ethically should be at the heart of everything we do.

A think-tank recently proposed that bankers should be required to swear an oath. I think this misses the point. It is about bankers having a clear ethical framework within which they must always operate.

It is a way of thinking that needs to be ingrained, and that will take time. More and more banks are being held accountable for their employees' actions and that is a positive thing – we need to continue to build a culture of accountability.

### SIMPLICITY

Simplicity is key; we need to get back to basics. We should simplify and standardise the way we manage our companies and do business.

The banking industry will look very different in five years' time. Banks will be better defined and more specific.

Bankers need to remember what they are here to do: serve their clients, enable progress and add to the real economy. Gone are the days of trying to be all things to all people.



### SPECIALIST KNOWLEDGE

There has been more financial regulation published around the world since 2008 than in the entirety of history before that. It would take a lifetime for one person to read it all.

You're not going to find a polymath who knows everything about everything. So the banker of the future needs to be a team player.

Legal and compliance colleagues have never been more important. They need to work with bankers to protect the bank and its capital.

As in many fields of life, the era of the banking generalist has probably gone. People are going to be put into deeper,

more specialist silos for analytical purposes than ever they were before.

### A GLOBAL PERSPECTIVE

A banker's long-term strategy should hinge on the trends of globalisation, urbanisation and digitisation. The Citi strategy, for example, is well aligned with these themes.

Technology advances have connected our markets and our clients are becoming more global. We need to be able to facilitate their needs around the world. Digitisation will continue to revolutionise our entire industry and transform the way clients use our offering.

### A SENSE OF THEIR PLACE IN SOCIETY

When I was running TheCityUK, we created an initiative where we asked the next generation of financial services professionals what they thought needed to change in the industry.

One of the phrases they came up with that really struck me was, "What we really want bankers to be is part of society, not apart from society."

Two million people work in financial and related services in the UK. Yet banking isn't seen as 'the real economy'.

Banking is a key part of the economy. Part of the challenge for future bankers will be to show why their profession is an integral part of society. 



# *Finger* *on the* **PULSE**



**T**imes have changed for the financial services sector. Wind the clock back six years, and the sector was in full recruitment mode, with banking the employer of choice for a significant number of candidates.

Recruitment consultancies like Hays made more placements in financial services roles than in any other sector because of the remuneration packages and benefits offered by the big banks.

However, since the global economic downturn, the situation has changed dramatically, explains Keith Mason, Director at Hays in Scotland: "The financial services sector is continuing to suffer significant brand damage thanks to revelations about unethical trading and product miss-selling, for example.

"We have also seen mass redundancies and cutbacks on benefits, which have affected morale in the sector," he adds.

"As staffing is the most expensive cost to a business, especially experienced senior managers, we have seen the financial services sector lose a lot of experienced people, who have been replaced by junior and middle-ranking managers."

Now that the UK is slowly emerging from the recession with strong signs of economic growth, Keith says recruitment within financial services is growing too.

"The recession simply confirmed what many people already knew – that there were too many 'smoke and mirrors' at play, from mortgages to PPI miss-selling," he explains.

"Financial services sector businesses are now working hard to recover, but even in the second half of 2014, we are continuing to witness some banks rationalising, so there is still a level of nervousness.

Keith explains that in many circumstances, organisations have exhausted their internal resources and are requesting candidates for senior roles again, such as Head of IT, Head of Business Development or Head of Products.

### **GAP IN SKILLS**

One pressing issue is that, with senior management roles being populated by more junior talent, there is a risk of a skills gap developing in a business. Banks have been meeting this need by adopting a short-term contracting business model, however this brings inherent risks with it, as employees are not inspired to be loyal, flexible or develop a deeper knowledge of the business and its objectives.

"It's challenging for an individual to have an ingrained knowledge or incentive to understand the obstacles a business faces if they are only on a six-month contract," Keith points out.

"We are seeing permanent recruitment making a return and expect it to continue growing in popularity over the next 12–18 months. However, contracting still offers a business the flexibility that it needs for individual projects, where it needs short notice periods and can't sustain a permanent head count.

"Short-term contracting will continue to play a key part, but we are seeing permanent roles becoming more buoyant," he adds.

### **GENERATION EXPECTATIONS**

The psychology of new generations entering the sector is of particular interest to recruiters, as Generation X and Generation Y need very different styles of management.

**“Businesses must put their needs first and expect their new talent to perform.”**

It's becoming more evident that managers need to know how to handle these two groups as a one-size-fits-all approach no longer works, as Keith points out: "Generation Y candidates expect to be given an opportunity and the training they need. Generation X, on the other hand, tends to ask for a challenge and work hard to make it work," he continues.

"We need a financial services sector made up both of Generation X and Generation Y, we need to see that balance, mainly because Generation Y, as a generalisation, wait for opportunities to be presented to them and expect to be remunerated according to their experience.

And while candidates may expect employers to offer appropriate remuneration packages, professional development and a chance to progress careers, managers must be sure to expect a return on their investment.

"Managers need to be careful that employees offer a high level of performance in return," Keith says. "Financial services businesses need to ensure they promote a culture which not only attracts high performers but accounts for the fact that different generations require different management styles.

"In the end, businesses must put their needs first and expect their new talent to perform. They will find that people respond to these expectations as, ultimately, talented people want to have their achievements recognised.

Keith adds: "By ensuring that candidates have not only done their research for an interview, but are productive and deliver once in the role, organisations can ensure that recruitment adds value to the business." 

**“It's challenging for an individual to have an ingrained knowledge or incentive to understand the obstacles a business faces if they are only on a six-month contract.”**

# On the right PATH

The Institute's bespoke qualifications and collaboration with leading banks is shaping the bankers of the future.

**A**s the banking and financial services industry continues to work hard to build on professional, ethical and commercial standards, training and qualifications have taken on an even greater role than ever.

In many cases, externally set and developed courses will help take banking professionals' skills to the next level but sometimes they are not enough to fully satisfy a rewarding career path for top talent. As the industry changes, new roles and specialisms emerge. Meanwhile, the importance of nurturing the professional standards of those within the banking sector only grows more central to the success and future strength of financial services in the UK.

In response to these needs, the Chartered Banker Institute works with banks to develop bespoke qualifications better tailored to fit their particular skills and commercial needs – and help shape the bankers of the future.

Says Lynn McLeod, the Institute's Head of Professional Learning: "Bespoke qualifications are designed to enhance performance in specific roles and are tailored to an organisation's corporate values and culture."

The bespoke qualification offering embraces the concept of the personalised learning journey, with individuals selecting from a range of bespoke and standard Institute qualifications to earn credits towards the attainment of Chartered Banker status. Core to the bespoke pathway – as with the standard route – is completion of a lending-related subject and compulsory study of the Institute's Professionalism, Ethics and Regulation module.

Developing bespoke qualifications as a pathway to Chartered Banker status can help banks better focus their efforts in developing the next generation of high fliers.

"As well as enhancing job performance, these bespoke qualifications also prepare individuals for more senior roles in the bank," explains Lynn.

The process of building a bespoke qualification is very much a partnership between the client organisation and the Institute, she adds. "We establish what the client wants to achieve from the qualification and for what purpose. We discuss how it links with the organisation's strategic goals and objectives and the benefits, not only for those completing the qualification, but also for the bank and ultimately its customers. It's very much a collaborative venture, ensuring that the needs of all key stakeholders are met.

It's a collaboration that Ian Hardcastle, Head of Banker Capability, Commercial and Private Banking Division, The Royal Bank of Scotland Group, applauds. Over the past two years, as he explains, RBS has been working in collaboration with the Institute to develop and implement a wide range of bespoke qualifications that have potential to reach 11,000 people in the organisation: "I have been really impressed that the Institute has understood and embraced our commercial needs, working collaboratively on innovative development programmes that align capability to our corporate strategy."

Ian adds that each bespoke qualification blends practical skills with academic standards, resulting in high staff engagement and enhanced performance and professionalism, evidenced by a clear differential in customer satisfaction.

"Of those completing one bespoke qualification, 74% report that they want to complete another one, with the prestigious Chartered Banker qualification being a clear goal for most," he says.

Lynn explains: "After the initial consultation, we agree what the key learning outcomes will be and how these can best be assessed.

We then build the content and agree how best to deliver the programme of learning required to attain the qualification.

"The Institute is uniquely positioned in having the educational expertise, flexibility and know-how to develop formal learning solutions that have a transferable credit value to Chartered Banker.

"We have the educational expertise to ensure qualifications meet quality standards and the flexibility to react quickly to what a bank needs."

An initial review of bespoke qualifications already implemented suggests that there is every sign they are achieving their aim of raising practical, on-the-job skills while enhancing professionalism and trust in the industry, as Lynn explains: "We are planning a full evaluation of the bespoke qualifications developed so far; in the meantime, early indications are that they are resulting in enhanced job performance, better quality conversations with customers, and ultimately, higher customer satisfaction scores."

The Institute's continued work in this area is one further step towards ensuring the professionalism of bankers in the future. 

**“Bespoke qualifications are designed to enhance performance in specific roles and are tailored to an organisation's corporate values and culture.”**

For further information about the Institute's bespoke qualification service, contact Jeff Aiken, Learning and Development Manager, on 07764 973099 or email [jeff@charteredbanker.com](mailto:jeff@charteredbanker.com).



“The Institute is uniquely positioned in having the educational expertise, flexibility and know-how to develop formal learning solutions that have a transferable credit value to Chartered Banker.”

# TALENT *match*

Attracting and managing talent take on a new edge in a more customer-focused era. How is Lloyds making sure its people's capabilities match up to its commitment to help Britain thrive?

“Words, however warm, will not be sufficient on their own to win back public trust ... the business model for banks has to return to its origins and be focused on customers.”

So said Lloyds' Chief Executive, António Horta Osório, shortly before launching *Helping Britain Prosper*. The bank's blueprint for getting back to its roots set out public commitments to help address some of the biggest issues facing the UK.

Lloyds pledged to help customers save and get on the housing ladder, and to help more businesses start up and grow. It also promised to take a lead on financial inclusion and "bringing communities together to help them thrive".

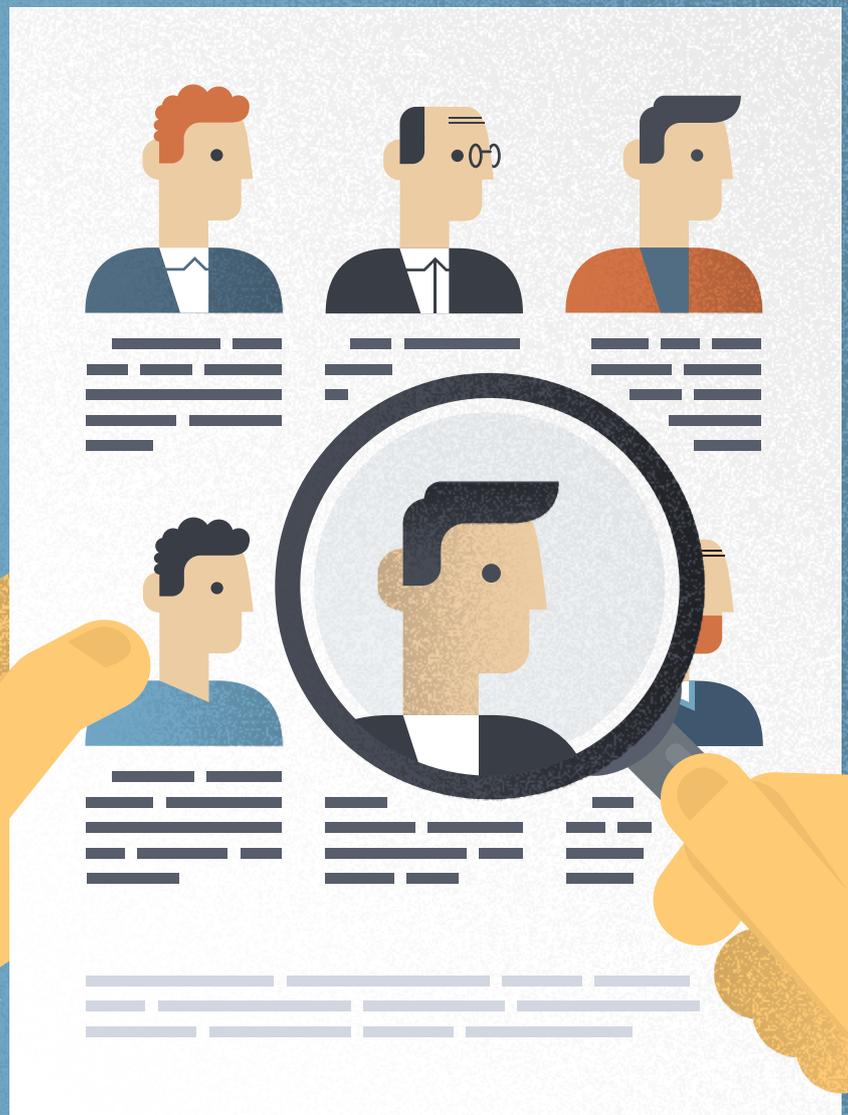
These targets came with metrics, on which the bank will report its performance in its annual Responsibility Reports. But how is Lloyds ensuring its people deliver against them?

## CULTURAL CHANGE

In the latest report, António acknowledges that it takes time to change the culture of a group employing 90,000 people.

The bank recognises that the process of spreading this commitment to everyone in the business starts with its leaders. Managers need to steer their teams and provide constant feedback on performance.

The biggest challenge is making time to do this, according to Hugh McKay, HR Director in the Commercial Banking division.



“We've introduced a talent council, a group of executives who have very practical conversations about how we strengthen capability and develop our talent.”

"If just a little more time can be spent on these conversations, it can have an exponential effect," he says. "That's the message that's going out to our leaders from the most senior level: this is what we want you to do."

#### CLIENT EXPERIENCE

While the division's talent management efforts are ongoing, Hugh traces a direct link to *Helping Britain Prosper*: "It gives us the strategic context to put the customer and the client first. Ultimately, we want people to be enhanced in their capabilities so that the end client has a better experience."

So, for example, if the bank is to meet its 2014 target of helping 100,000 business start-ups, the Commercial division needs people of the right calibre whose skills are SME-focused.

Hugh insists, however, that the skills the bank seeks in its talent – new and existing – are no different today compared to the period before the financial crisis. Our diploma, for example, continues to consistently deliver core banking skills, though its content and delivery are updated to reflect recent events and learners' changing needs.

"I don't think the skill set has changed," Hugh says. "Look at it from the Chartered Banker perspective; the curriculum hasn't changed for banking exams, or for a business management degree. Business ethics was always part of these programmes.

"We all have to learn from the events that have taken place and use that to influence how we go forward, but fundamentally there's no significant shift."

#### TALENT COUNCIL

What is changing, Hugh says, is the way that development is supported, talent retained and succession planning improved.

"We've introduced a talent council, a group of executives who have very

## DID YOU KNOW?

For those graduates who decide to pursue a career with Lloyds, many graduate pathways in the organisation include the opportunity to gain appropriate professional qualifications alongside a structured programme of work. A number of the graduate streams (Retail, Commercial, Risk, Group Operations and IT) have adopted the Chartered Banker qualification, developing common banking knowledge for professionalism, regulation and ethics, as well as risk and credit. The qualification also allows for further specialist study relevant for each of the different streams. The programme is being delivered in a compacted form

running alongside the two-year period of the graduate programme, utilising an innovative blend of online and face-to-face learning designed and delivered by BPP's Financial Services division. It is a challenging programme, but will offer the graduates Chartered Banker status alongside the insight they will gain through work experience. The graduates streams clearly have the potential to provide future leaders for the banking industry and attainment of professional qualifications at such a formative stage of their careers is a hugely positive investment, both for the bank and also for the wider industry.

practical conversations about how we strengthen capability and develop our talent," he reports.

"Then, at the next step down, we have a talent working group run by individual business leaders. We've found this effective in ensuring that vacancies are managed correctly, we have a good mentoring network in place, and people understand where they stand in their careers."

In the first six months of its new strategy, the division provided a host of new training, including more than 3,000 SME training sessions.

What of new recruits? Some banks are concerned about their ability to attract top talent, in particular. But again, Hugh says Lloyds has not noticed a change in the talent pool available: "We've not encountered a stigmatism against coming to work for banks."

#### STUDENT PROGRAMME

He points to the fact that around 70 per cent of entrants to the Lloyds

Scholars programme – which supports university students from low-income households – are taking up offers on the bank's graduate programme, even though there is no compulsion on participants to work for Lloyds.

Meanwhile the strategy commits the bank to offering 5,000 apprenticeships by 2017 – just under 1,500 have so far been created.

Hugh believes these efforts will bear fruit as the fresh recruits get onto the Lloyds careers ladder. But he is convinced that the skills and expertise they demonstrate will be no different to those of the previous generation.

"Lloyds is 250 years old in 2015, and Bank of Scotland considerably older than that," he points out by way of perspective.

"The events of the last few years clearly have an influence, but we look at our position in terms of being a custodian. We manage things through the current changes, and the bank continues." <sup>CB</sup>

Embracing the Government's agenda on apprenticeships is just one way banks are trying to attract young people from a diverse range of backgrounds into the sector and help build a stronger, more professional and ethical culture.

# RIGHT *on* COURSE

**T**he Chartered Banker Institute's focus on promoting professionalism in banking has meant it is ideally placed to help according to Mark Roberts, Head of Learning Partnerships and Regulatory Qualifications, Chartered Banker Institute.

As highlighted in Sir Richard Lambert's Banking Standards Review Report, rebuilding trust in the financial services sector will not only have to be a collective effort, but will take time – perhaps a generation – to implement.

According to the Deloitte Talent in Banking Survey 2013, based on a global survey, banking is a less popular career choice now than it was before the start of the financial crisis.

So, as well as rebuilding the trust of customers, banking also needs to become a more attractive industry to work in and one in which achieving and maintaining qualifications is seen as integral to achieving career ambitions.

"There are some 300,000 people working in banking in the UK at the moment and only a fraction of them have relevant professional qualifications," Mark says. "Over the past 25 years, the number of people with banking qualifications has fallen, both as a percentage of what has become a much larger industry and in absolute terms. There are many reasons for this decline, including a cultural change from stewardship to sales; increasing career specialism, which has resulted in fewer

**“Over the past 25 years, the number of people with banking qualifications has fallen, both as a percentage of what has become a much larger industry and in absolute terms.”**

generalist bankers with all-round experience; greater use of technology, reducing the demand for professional judgment; and the search for cost efficiencies, such as outsourcing.”

As a consequence today, there's a generation of bankers who entered the industry from the mid '80s onwards when professional qualifications were not considered important by either the banks or their staff.

"The reversal of this trend has begun, but there is a long journey ahead," adds Mark. "The Institute's work to improve knowledge, technical expertise and ethical awareness in banking may have been ahead of the curve, but it's well positioned to support the move to re-professionalise those who work in the sector.

"As well as identifying accelerated routes to professional qualifications for experienced bankers who demonstrate appropriate behaviours, we need to focus on up-and-coming talent to ensure they are appropriately qualified and experienced, and benefit from ongoing professional development."

The Institute continues to promote higher standards in banking through its qualifications and accredited courses, however there is a new initiative that Mark says could help to widen the pool of talent that the financial services draws from – apprenticeships.

## VOCATIONAL ENTRY POINT

The Institute has been working with banks and the Government to develop apprenticeship standards as part of a new initiative to build a new vocational entry point into the sector.

Financial services businesses are embracing the Government's agenda on vocational training, helping it to develop apprenticeships which are sector-appropriate and where employers are firmly in the driving seat of setting standards that reflect the needs of their businesses.

"These banks are taking a small number of school-leavers from non-traditional backgrounds and offering the opportunity to train them to Relationship Manager status, which is a high level and very significant role in modern banking organisations," Mark explains.

"This is an impressive scheme, which the Institute is proud to be involved in by providing a professional qualification comparable to a graduate scheme."

At present this is a pilot scheme, but should it be rolled out further it will offer a valid alternative to full-time further or higher education, allowing young people a chance to earn while they learn.

Mark adds: "It also offers all the benefits of workplace experience and the ability to gain nationally-recognised, vocational qualifications through a combination of state and private enterprise funding."

## INPUT AT EVERY LEVEL

But the Institute exists to serve every industry professional – not just those embarking on their careers or taking the Chartered Banker MBA programme route to the top. It also has a range of qualifications below Chartered Banker level to let people study something relevant, whatever stage their career is at.



The Institute is keen to continue to make getting a qualification accessible and convenient without dropping standards. It does this in part by striving to complement pre-existing qualifications and technical skills and to permit relevant study already completed in the workplace or in previous roles to count towards Chartered Banker qualifications.

An important aspect of the Institute's own qualifications is the way they give bankers valuable context, linking the technical skills they have with wider industry, professional and ethical issues, Mark says. Banking operations teams, for example, can gain useful insights into their work by gaining a wider view of the banking world.

"Our qualifications can be useful in giving them an overview of credit lending and of the customer, helping them understand the core functions of banks – which is to store money safely and to lend it safely. This will lead to good consumer outcomes," says Mark.

### EVOLVING QUALIFICATIONS

Training doesn't stop at key qualifications like the Chartered Banker diploma either.

Continuing professional development (CPD) is as important in banking as in any other industry. And adapting the Institute's CPD offerings to the evolving range of roles in banking has been a key aim in keeping CPD as relevant and useful as possible.

It's also a key part of the process of restoring bankers' standing and the pride they should be able to take in their profession and role. The Institute's ongoing investment in developing its training to have a more international scope, reach and relevance will also help in this regard.

Says Mark: "It's about learning the lessons of other business sectors and jurisdictions to help build the reputation of the banking industry and making sure it has a professional workforce that can be admired globally." 

*To find out more about linking an apprenticeship to our qualification, contact Mark Roberts by email at [mark.roberts@charteredbanker.com](mailto:mark.roberts@charteredbanker.com).*

## RAISING THE BAR

The Institute has also been playing a growing role in helping banks raise the bar in their internal courses by reviewing the programmes and the processes and procedures that lie behind them. This is done via the Institute's accreditation process.

Says Jennifer Mallon, Head of Accreditation and Professional Development: "The Institute's accreditation activity has been expanding considerably in the last five years, and we're now working with more banks over a wider spread of business areas.

"We also accredit programmes from UK university qualifications and a growing range of international programmes too. Our accreditation service caters for programmes covering everyone from new entrants to chief executives."

The Institute's accreditation is the most sought-after banking and financial services accreditation benchmark, and gaining accreditation is a rigorous process. Following a thorough review of a programme

and the relevant assessment methodology, the Institute reports back on its recommendations and helps to address any gaps that must be filled before accreditation can be granted.

But there's no guarantee a programme will be accredited, Jennifer adds. "If the quality is not there, if we do not think it's a good programme, we will decline to accredit it."

As the only organisation able to confer Chartered Banker status, the Institute has experts with banking backgrounds as well as subject matter and educational experts. It's this breadth of experience and wide industry exposure that gives the Institute valuable insights into the most effective course content, structuring and assessment methodologies, says Jennifer.

"We see a lot of programmes and we see best practices, which means we can explain to others how they can enhance and improve their programmes."

# New HORIZONS



The Chartered Banker MBA programme offered by Bangor Business School is just one of the partnership initiatives supported by the Institute to provide routes towards achieving the gold standard of Chartered Banker status.



**B**angor Business School's pioneering Chartered Banker MBA programme continues to go from strength to strength, and this summer saw the graduation of its second cohort. Fifty-nine students from all over the world were awarded the Chartered Banker MBA degree by Bangor University in July.

More than 300 students from over 70 global and UK banks have enrolled on this innovative programme since its inception in 2011. Students have studied for the MBA from more than 47 countries, from Antigua to Saudi Arabia and from Belgium to Nigeria.

The only qualification in the world that combines an MBA with Chartered Banker status, it is aimed at those managers and executives in banks and financial services organisations who wish to deepen their knowledge and understanding, and would like to acquire the practical skills to cope with changes in the ever-evolving financial services sector.

Professor Ted Gardener, Chartered Banker MBA Programme Director, explains that the Chartered Banker MBA combines two important value propositions.

"The research reputation of the Bangor Business School, ranked consistently as the top UK and European University for banking research, ensures that this is a cutting edge learning experience," he says. "The worldwide standing of the Chartered Banker Institute and its pioneering work on banking professional standards adds distinction and a practical banking emphasis."

Bangor Business School is just one of a number of partners that the Institute works with to provide routes towards achieving the gold standard of Chartered Banker status. Others include the MSc in Banking and Finance offered by Nottingham University Business School. Queen Mary University of London, meanwhile, offers MSc programmes that provide credit towards Associate Chartered Banker status.

**“The worldwide standing of the Chartered Banker Institute and its pioneering work on banking professional standards adds distinction and a practical banking emphasis.”**

The Institute also partners with the likes of the International Compliance Association, and recognises its Diploma qualifications as a precursor to Chartered Banker studies.

In all cases, the focus of the course content is practical, contemporary and holistic. The MBA programme offers modules in such disciplines as marketing, human resources and strategic management alongside more specialised ones, like risk management, credit and lending, and professional ethics and regulation. In doing so, it responds directly to the increasing global demand to develop and sustain responsible professionalism in global banking.

Lord Mervyn Davies, partner and Vice Chairman of Corsair Capital, former government minister and former chairman of Standard Chartered Bank, sums it up: "This is an innovatory MBA for the global banking industry. It combines the high-level skills and professional competencies that will be increasingly

necessary for the post-crisis banking environment."

Designed to suit the lives of busy professionals, the MBA programme takes a blended learning approach. Combining face-to-face teaching and online seminars and tutorials gives students the flexibility to fit study around their work commitments. Accelerated routes are available to holders of recognised professional banking or accounting qualifications, and MBA and similar postgraduate qualifications. In some cases, the degree can be completed in one year.

The resulting qualification is a unique dual award of an MBA in banking and finance as well as coveted Chartered Banker status. It is rightfully considered to double the advantage for senior bankers, managers and executives in the sector – whether existing or aspiring.

"The course was hard work but very rewarding," says Alan Frain, Senior Director of Acquisition Finance at Lloyds Banking Group, a graduate of the programme. "Combining study with a day job in banking brought the subject matter alive for me and really helped to develop my views on the competitive landscape and strategic challenges facing my own employer. I now feel more informed across a wider spectrum of business and strategic issues, which has helped me in the leadership aspects of my current role.

"The dynamic nature of the business and regulatory environment ensured that assignments were always relevant and focused on cutting edge developments. The support provided by Bangor University was first class, with the lecturers demonstrating a real desire to support the students in getting to grips with the subject matter."

Henry J Hazel, General Manager/CEO, Eastern Caribbean Amalgamated Bank, Antigua and Barbuda, is another who has studied on the MBA programme, an experience he describes as "extraordinary".

"From the onset of my 12-month sojourn in the Super Accelerated route, the level of student support provided by the professors and the administrative team was absolutely phenomenal," Henry says. "As a busy CEO of a rapidly expanding commercial bank, I valued the unrivalled flexibility of the programme and the direct relevance of the knowledge gained to my day-to-day operational engagements.

"My high expectations were surpassed, and now I feel really accomplished having the professional designation of Chartered Banker and my MBA in banking and finance. With my professional experience of 16 years as a central banker and five years as a commercial banker, the Chartered Banker MBA achievement completes my credentials as a subject matter expert in banking."

And the learning experience doesn't end at graduation. A dedicated LinkedIn group encourages alumni to network and continue the dialogue around the global banking industry with fellow graduates and current students based worldwide. 

For further information about the programme, please visit:

[www.charteredbankermba.bangor.ac.uk](http://www.charteredbankermba.bangor.ac.uk)

To find out more about our other partners, go to:

[www.charteredbanker.com/about/working-with-us](http://www.charteredbanker.com/about/working-with-us)

# BSRC *promises* bright future

The creation of the new, independent Banking Standards Review Council will complement the work of the Institute and help to ensure that banking remains a great choice of career.

**W**hen the Banking Standards Review report was published in May, the parameters for a new and independent body to oversee the UK banking industry emerged as Sir Richard Lambert's chief recommendation.

The Banking Standards Review Council (BSRC) is set to become the ideal partner to the Institute and initiatives like the CB:PSB. Expected to be in operation in early 2015, the BSRC's focus will be on improving conduct and competence throughout the UK banking industry. It's no small undertaking, but the pay-off could benefit everyone – not least the next wave of bankers setting out on their careers.

In his report, Sir Richard writes: "There are big challenges to be overcome. The new organisation will be funded by the banks, but must remain independent of them. It must cover the whole banking industry if it is to be credible, but also recognise that there is very little in common between a small building society and a large investment bank. It must complement rather than confuse the work of the regulator, and it must rely on voluntary support rather than statutory backing for its ideas."

Inspired by the urgent need to restore trust in banking, the Banking Standards Review engaged with bank and building society executives, regulators, government, academics and others, and worked closely with professional bodies like the Institute to examine what's required to raise banking standards. Sir Richard's main findings support the

Institute's own work to enhance and sustain higher professional standards in the industry.

"The Banking Standards Review Council will be setting standards for banking, whereas the CB:PSB will continue to set standards for individual bankers," explains Simon Thompson, Chief Executive of the Institute. "The Institute looks forward to working alongside the new BSRC in separate, but complementary, roles, focusing on setting benchmarks and metrics for banks and banking."

Simon Thompson believes the Lambert report will lead to "assertive and collective action to rebuild the banking profession in the UK". He is hopeful that all banks and building societies will join the BSRC alongside professional bodies like the Institute, helping to raise standards across the board. Only by working together to rise to the challenge can real movement be made in the right direction.

Among the tasks for the new umbrella organisation will be the identification and promotion of good practice in learning, development and leadership, especially in terms of behaviour and ethics; and the support of banks' obligations to incorporate new legislation in their operations.

BSRC members will be encouraged to commit to a programme of continuous improvements under the three c's: culture, competence and customer outcomes. Member banks will be asked to report on their annual progress in these areas as well as on whistle-blowing, retail sales incentives, handling complaints

and their support of small businesses.

A further focus of the report was the need for the BSRC to support rather than compete with existing bodies to raise the currency of professional qualifications. And it's not only senior bankers who will benefit.

"There is the example of the bank which currently supports accounting, IT, HR, tax and legal qualifications for its staff, but not banking qualifications," Simon adds. "This needs to change. Banks in the UK will need to heed the voice of the Institute, and their customers, who've been calling for bankers to get a relevant professional qualification for many years."

It's clear that with the BSRC in place alongside the Institute, CB:PSB and other established bodies, the industry will be supported from all angles in ensuring a bright future for banking and restoring pride in the profession. 

To view the full report, visit: [www.bankingstandardsreview.org.uk/assets/docs/may2014report.pdf](http://www.bankingstandardsreview.org.uk/assets/docs/may2014report.pdf)



# What the talent WANTS



Chartered Banker caught up with some past prize-winning bankers to find out what the talent of today is looking for in a banking career.

**A**ccording to Hanna McCloskey, 2013 winner of the Deloitte Young Banker competition run by the Institute, the number one challenge for banks right now lies in “attracting, retaining and developing the breadth of talent to ensure the diversity of perspectives and thinking to deliver for customers and to respond innovatively to the external pressures they face”.

But what attracts talent to the industry – and what do the brightest minds seek from their career and employer?

**KATIE BALL, BANKER TRAINING AND PQ MANAGER, RBS**  
 Awarded the Diploma in Financial Services Leadership in 2014

*What's your main driver in your banking career?* I like to keep learning and taking on interesting challenges. I've worked for RBS Group for more than 25 years and held a variety of very different roles across the bank. My desire to keep discovering has opened doors to enable some of these moves.

*What are you looking to achieve from your career in banking – and from your employer?* I want a career that stretches me, so that I enjoy Monday mornings rather than dread them. I'm naturally curious and look for opportunities to grow personally and professionally. I also enjoy supporting my colleagues to be the best they can be – whether through coaching or by providing learning opportunities and professional qualifications. What I want from my employer is the support to do this.

*How do you see the future of banking?* Demonstrating our professionalism to show that we're worthy of customers' trust is key. We must also be aware that people are becoming increasingly sophisticated in the way they want to do business with banks. And on the occasions when customers seek out human interaction – because technology has frustrated or failed them – bankers must prove their worth by acting knowledgeably and authentically.

**SAMUEL SHUTT, ANALYST, RISK INFRASTRUCTURE, RBS**  
 Winner of the Hutton Prize for Ethics 2013

*What's your main driver in your banking career?* Working hard to regain the trust of our customers and wider stakeholders is a core focus in my career. It's a key reason why I went into banking, and the challenge of rebuilding confidence in the industry should be inspiration to all bankers.

*What are you looking to achieve from your career in banking – and from your employer?* I want a stimulating and challenging career from banking. The nature of modern banks means that there's huge scope for developing yourself, and I look to my employer to support me in achieving my goals.

*How do you see the future of banking?* The transition to alternative methods of banking will continue. The winners to come out of this will be those organisations that are able to provide services that facilitate close customer relations without using the traditional means of achieving them.

**HANNA MCCLOSKEY, FOUNDER OF FEARLESS FUTURES**  
 Deloitte Young Banker of the Year 2013

*What was your main driver in your banking career?* My main driver was to be a voice for new approaches and ways of thinking about what banking could do for its stakeholders. In particular, I was (and still am) committed to ensuring that banks are environments where both women and men can fulfil their potential.

*What were you looking to achieve from your career in banking – and from your employer?* I wanted to serve my customers while doing intellectually stimulating work. I also wanted to be stretched and have the opportunity to enhance my skill set by experiencing different areas of the bank, and to know that my employer had the same values as me and was progressive in its approach to its people.

*How do you see the future of banking?* I see banking transforming radically over the next few years due to new players. At the smaller end of the market, crowdfunding, peer-to-peer and invoice financing raised almost £1bn for small businesses in 2013. At the corporate end, asset managers look set to fill another gap with long-dated lending, which bank regulation prevents banks from offering.

Banks must ensure they remain relevant to their customers, by aligning with customer needs and being innovative in approach to ultimately make customers' lives simpler.



# Restoring pride

Restoring the reputation of the industry is essential if banks are to continue to attract talented people. But it's the everyday actions of those people that will ultimately regain trust. Simon Lloyd, HR Director, Santander UK, explains how.

“I’m a banker, actually.” It’s still an awkward sentence to say, in mixed company, without mild trepidation – or at least a rueful smile.

But Simon Lloyd is optimistic that bankers won’t need to reveal their vocations in apologetic terms for too much longer.

“Is it becoming any easier to say you’re a banker? I think it is, marginally, based on personal experience,” he says. “I tend to get quite a lot of positive comments about the retail banks and what we’re doing, although I am less certain about the investment banks.”

## HR RESPONSIBILITY

Simon believes that “for the success of UK plc, a trusted banking industry is very important”. And as HR Director of Santander UK, he shoulders his share of responsibility for helping to restore that trust.

“I think banks generally are doing a lot around their incentive and bonus schemes, and being very clear that what is important is customer relationships,” he says.

“I and my colleagues who work in HR have quite a role to play in ensuring that all the internal systems are aligned to support that.”

It’s around two years since Santander launched a new set of values that it wanted its staff to espouse in the UK.

Those values – Teamwork, Commitment, Innovation and Excellence – are unsurprising. Some of them overlap with the terms chosen by other banks in their own exercises.

But what has really caught the imagination is Santander’s pithy summary of the kind of bank it wants to be: Simple, Personal and Fair.

## STRIKING A CHORD

“Our values are still important to us,” Simon says. “But what we’ve found to be particularly powerful is the goal of being an organisation which is simple, personal and fair. So we’ve put a lot of focus on this over the past 15 months.

“Part of the reason is that we’ve found it really strikes a chord with people. It’s easy to remember and communicate. People can see it applies in a number of different circumstances.”

Coming up with snappy phrases to define your bank’s aspirations is the easy bit. Reflecting those phrases in the everyday work of employees across a big organisation is the challenge, as Simon readily concedes.

“It’s the behaviours of our employees that reflect the values and culture of a business to its external audiences, and there’s no hiding behind a glossy marketing campaign when your people are the face of your brand,” he says.

For starters, Santander employees

**“I think banks generally are doing a lot around their incentive and bonus schemes, and being very clear that what is important is customer relationships.”**

were asked to make a ‘simple, personal, fair’ commitment, and to take action in their area of the business to drive positive change. This exercise started in February 2013 with 3,000 of the organisation’s managers, via their annual convention, and has now been rolled out more widely.

Objectives based on being simple, personal and fair are also being incorporated into the performance management system. For example, a contact centre employee might commit to fulfilling each customer’s requirements in a single call, thereby offering a simple and personal service.

## LONG HAUL

The initial results are promising, says Simon, but he’s under no illusion that the exercise is close to completion.

“If you read all the academic material on change management, you are talking a minimum of four to five years to really embed cultural change within an organisation, so we’ve still got a long way to go,” he says.

“One of the important things is that we’ll need to continually reinvent what we are doing – so people don’t think it’s done and lose sight of what we’re trying to achieve. That’s part of the challenge for me.”

He sees national initiatives, such as the new standards body being established in the wake of the Lambert review, as a handy benchmark to individual banks’ efforts.

“We’re all different organisations with different approaches. Where the banking standards council will help is in setting

baselines and making sure best practice is shared, so that standards are raised across the industry as a whole.”

The emphasis on the organisation’s goals is naturally emphasised not just for existing employees but in Santander’s recruitment and induction processes, as it seeks to target people with the right characteristics for the new era.

## RECRUITMENT IMPACT

The talent pool remains strong, according to Simon, who sees no sign that negative public opinion and media coverage have put off potential recruits to the industry – at least not yet.

“Our level of turnover is as low as it’s ever been. We have not seen changes in the levels of talented people applying for jobs with us, whether they are already in the industry or joining for the first time,” he says.

“I see a very good quality of candidate, and no drop-off in numbers. What I can’t say is whether that will change as the economy gets stronger, and more opportunities become available in the wider employment world.

“I do think it’s unlikely that all the negative comment will have no impact. Clearly it will, and I think that might start to show itself over the next two to three years, as people start coming through from the 16, 17 and 18-year-old age groups.

“That makes the work we’re now engaged in all the more important. It’s a gradual process, but I’m confident that the transformation of the banks’ outlook to a firmer customer focus will filter through to the public perception.” 

# How the Chartered Banker Institute is building professionalism



Coverage of **ethics** and **professionalism** for bankers at all levels



Code of **Professional Conduct** for members

THE **ONLY** BODY ABLE TO CONFER **CHARTERED BANKER STATUS**

**4** levels of study programmes – all with a focus on **core banking skills**



**3 accelerated routes** to professional qualification for senior/experienced bankers

**3** modules specific to **credit**

**2** modules specific to **risk**



**Support** and **monitoring** of member CPD



Certificate in **complaints handling**



Supporting **financial literacy** of future generations of customers via the Financial Education Partnership (FEP)



Established, with support of **8 major banks**, the Chartered Banker Professional Standards Board