

Developing a culture of compliance through leadership and training

Creating and maintaining the right compliance culture in a wealth management firm is no longer a luxury. In the new world of regulatory proliferation, it is an essential for any firm - local or global - to survive and prosper. But can it be achieved and, if so, how?

These were the topics discussed:

- *Communication of the strategic vision and goals*
- *Compliance should be communicated as a high priority for the business*
- *Encourage feedback from all levels and departments*
- *Don't be afraid to find innovative ways of delivering compliance training. Don't let compliance be regarded as boring - shake things up a bit to get through the key messages that you need to give*
- *Make learning a fun experience. Deliver that learning in a staff centric way and not just for the convenience of the business. Allocate sufficient senior Management time and resource*
- *Business leaders should make their staff feel safe. Failures in compliance which lead to brand damage also leads to diminishing respect and confidence from the workforce.*
- *Staff need to be recognised individually and not just as a collective resource. They should be trained to the level they need to perform optimally.*
- *Whilst regulators insist on annual training is certain key areas. Bespoke training needs should be identified to address weaker areas of performance.*
- *Making staff accountable for their actions*
- *Leading by example from the TOP*
- *Top level Buy in and living of those values*
- *Rewarding good behaviours*
- *Being seen to deal with bad behaviour quickly*
- *Investing in education and training at all levels including soft skills*
- *Providing clarity on what is and is not regarded as ethical behaviour*
- *Understanding the challenge to train and communicate messages to staff to the same level across different countries having regard to their cultural and moral norms and language barriers.*

PANEL SPEAKERS

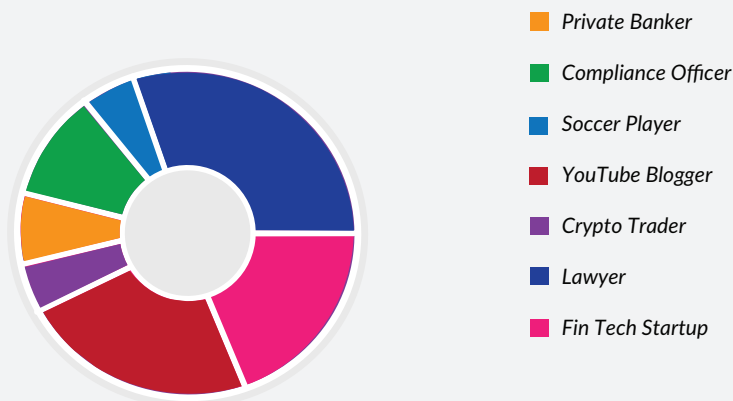
- **Stefan Kuhn**, Head of Compliance, Private Banking, South-east Asia, Credit Suisse Private Banking
- **Jarrod Baker**, Senior Managing Director, Forensic & Litigation Consulting, FTI Consulting
- **Evelyn Koh**, Head, Compliance, Private Banking Clients, Singapore, Standard Chartered Bank
- **Jason Tan**, Partner, KPMG
- **Matthew Maddocks**, Chief Risk Officer, RISKflo
- **Julia Leong**, Partner, Wealth Management, Singapore, PwC
- **Alison Fidler**, Head, Compliance, Wealth Markets Products & Sales, Standard Chartered Bank



STEFAN KUHN
Credit Suisse Private Banking

HUBBIS ASSEMBLED AN OUTSTANDING PANEL of experts at the Compliance in Asian Wealth Management Forum on January 18 with a mission to debate how to optimise a compliance culture. These seven professionals, all leaders in their discipline, had no doubts at all about the necessity to upgrade compliance expertise, standards and training throughout the wealth industry.

A CLOSE FRIEND COMES TO YOU AND ASKS YOU TO GIVE THEIR DAUGHTER ADVICE ON WHAT CAREER THEY SHOULD FOLLOW. WHAT DO YOU RECOMMEND?



Source: Hubbis Compliance in Asian Wealth Management Forum 2018

“To develop the culture of compliance you need accountability,” said one panellist. “To drive accountability, you need some form of measurement, and that is where the scorecard comes in. It is a delicate balance between a scorecard that penalises and one that actually provides some form of incentive for people.”

Leading by example

Another expert advised that any viable culture of compliance must come from the top. “Senior executives are increasingly recognising the value of a compliant culture,” she said, “but while we can penalise negative behaviour in our firms, we should make more of a focus on rewarding positive behaviour.”

“As a compliance professional I look for authenticity from my corporate leaders,” added another panel member. “They must say, and do, the same things. It is also very important to have an independent perspective to ensure that the outcome is as senior management presents it, to ensure trust and confidence. It is therefore partly about enabling some independence in your process to keep things transparent.”

Investing in excellence

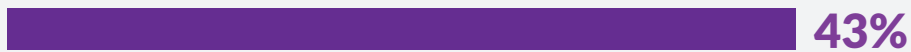
Failures in compliance can lead to brand damage, which in turn can also lead to diminishing respect and confidence from the workforce. Whilst regulators insist on annual training in certain key areas, bespoke training needs should be identified to address weaker areas of performance.



EVELYN KOH
Standard Chartered Bank

ANSWERING HONESTLY - DO YOU MOSTLY ONLY DO TRAINING BECAUSE YOU HAVE TO GET CPD?

Yes



No



Source: Hubbis Compliance in Asian Wealth Management Forum 2018

One expert explained: “The scorecard is one mechanism for overseeing compliance, but it has to be complemented by other measures in an organisation. For example, it is very important to allow qualitative comments to come through as well and then we use data, the hard data to complement the human element.”

The same panellist cautioned against a blame culture and advised the creation of a staunch support culture. “It is vital to help the middle layers in firms understand the value of compliance and the risk and rewards and encourage good decisions.”

Investment in staff and training programmes is therefore vital. And linking some of an employee’s remuneration to completion of training programmes might help avoid the ‘I have gone there, done that and ticked the box’ mentality.

Reinventing excellence

“When we look at training, we need to reinvent our approach, we cannot consider it as we used to 10 or 20 years ago,” observed a panel member. “We need to evolve a training and learning programme that works for our staff whichever capacity they are in within the organisation, and empower them to take responsibility.”

“Most of the larger organisations will have a dedicated team, it is a cost of doing business, there is no choice other than to have a dedicated team who can continuously update the content. So, for our compliance-related business, whenever there are changes

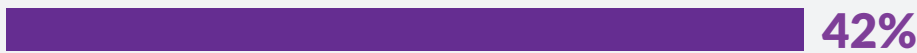


JASON TAN
KPMG

**WHEN WE LOOK AT TRAINING,
WE NEED TO REINVENT OUR
APPROACH, WE CANNOT
CONSIDER IT AS WE USED TO 10
OR 20 YEARS AGO.**

BRING THE FUN BACK. DO YOU ENJOY WHAT YOU DO TODAY ?

More than you did 10 years ago



Less than you did 10 years ago



Source: Hubbis Compliance in Asian Wealth Management Forum 2018

in tax or accounting standards or product requirements, for example, those need to be incorporated.”

Extending the boundaries of training

A key challenge is to create new training programme content that truly breaks boundaries and increases skills, especially related to technology.

One expert cautioned: “Because of this digital age we are in now, attention spans are very short and for the younger generation we must develop the training through ways they can relate to. Compliance can be very grey, so if we can actually present real scenarios where the actors act things out it can greatly help understanding the factors to consider before making a decision or even before making a comment.”

“We need to get to a stage where people who receive the training want the training in a particular way,” said another panellist. “We need to have people from the organisations consulted as part of the training development process so that they are able to contribute something that is meaningful.”

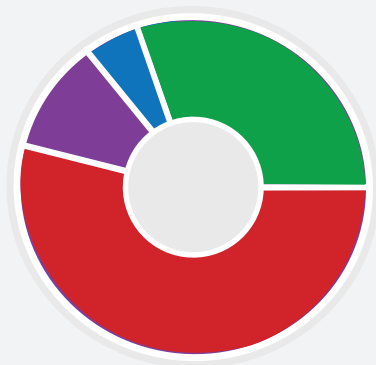
Compliance training should not be only about making the job easier, it should concern making the job more rewarding. “When you understand the risks,” explained one panellist, “you can negotiate the risks more adeptly and you feel more secure in your job.”



JARROD BAKER
FTI Consulting

WE NEED TO HAVE PEOPLE FROM THE ORGANISATIONS CONSULTED AS PART OF THE TRAINING DEVELOPMENT PROCESS SO THAT THEY ARE ABLE TO CONTRIBUTE SOMETHING THAT IS MEANINGFUL.

DO YOU BELIEVE YOUR COMPANY PROVIDES ENOUGH COMPLIANCE TRAINING?



- Too much
- Exactly right
- Not enough
- None

Source: Hubbis Compliance in Asian Wealth Management Forum 2018

Ethics and appropriate behaviour

Another expert added a different perspective: “When you look at developing new training and new culture there is a distinction that has to be made between compliance and ethics. Morality is also a factor, for example in Asia there are many different religious, cultural and language differentiators. So, compliance is not simply about creating wonderful policies and procedures, it is likely to affect the whole corporate culture of a business and the way the staff conduct themselves.”

Another panellist followed this line of discussion with comments on the manner in which corporate entertainment is handled. “Gone are the days when the organisation only looks at behaviour whilst you are in the office. It is essential that people actually look at behaviour as opposed to simply compliance and ethics.”

Another panellist noted that even times such as office parties are important for setting the right climate for the corporate culture. “Making it clear that the leaders of the firm are setting the tone and responsibility is important. We must recognise that the culture is really changing now, with so much more focus on conduct risk these days.”

One expert concluded: “It is easy to preach, but let’s give our colleagues some help. Soft skills training is missing in most organisations. The culture of compliance includes all the real-life skills and all too

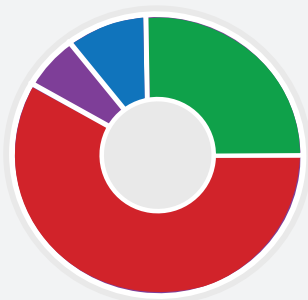


JULIA LEONG
PwC



MATTHEW MADDOCKS
RISKflo

DO YOU ENJOY THE COMPLIANCE TRAINING YOU DO?



- Yes
- No
- I would like to see it improve - possibly be more proactive or more relevant to my job
- Who cares - I have to do it anyway

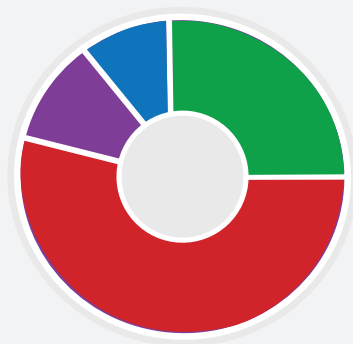
Source: Hubbis Compliance in Asian Wealth Management Forum 2018

often this is missing from the training we give. It is tough because we all have our personal lives, but with social media and everything else nowadays it is incumbent on the organisation to let people know what their standards are. It is a much, much tougher environment today.” ■



ALISON FIDLER
Standard Chartered Bank

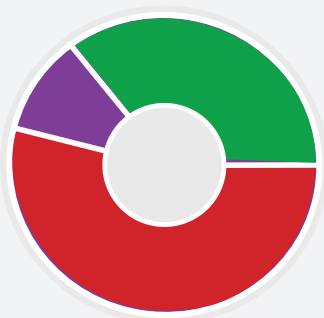
WHICH IS THE MOST IMPORTANT FACTOR FOR DEVELOPING A CULTURE OF COMPLIANCE?



- Leadership
- Training
- Rewarding compliant behaviours
- Making staff accountable for their actions

Source: Hubbis Compliance in Asian Wealth Management Forum 2018

WHEN YOU DO INTERNAL TRAINING - HOW WOULD YOU MOSTLY DESCRIBE IT?



- Pointless waste of my time
- Brilliant - everything I learn is practical and enhances my day to day interaction with my clients
- My senior management is training me how to sell a product my client doesn't even want

Source: Hubbis Compliance in Asian Wealth Management Forum 2018