

Launch of the 'Speak Up' Campaign

Speech by Douglas Flint
Group Chairman, HSBC Holdings plc

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Good morning and thank you to CISI for allowing me the opportunity to say a few words on a subject I believe is hugely important.

After every crisis there is a need to examine root causes, lessons learned and take steps to reinforce the relevant infrastructure to prevent recurrence, or at least make future damage less severe and more containable.

I am an avid reader of books on the global financial crisis and on industry failings. As time passes, as more facts become available and there is more time for mature reflection, the analyses get more thoughtful and in many ways more disturbing.

Three questions always stand out to me – how could this have happened? Why did no-one see it coming? And why did nobody call out the behaviours that were bound to end badly?

One of the most humbling experiences of the last few years for those of us in leadership and governance roles has been in recognising that business was not always conducted the way it should have been; the way that we believed it was; that control systems did not always detect irregularities taking place or accurately identify the risks; and most problematic, that concerns that did exist within the organisation were not always escalated to where they could have been addressed.

So on top of all the ongoing enhancement of industry structure and financial strength, there is a growing and even more important body of work around culture, behaviour and values.

Much of this follows the recommendations of the Parliamentary Commission on Banking Standards.

This is not simply about producing codes of conduct and statements of ethical values; it is about reassuring ourselves that the business models we pursue are staffed by individuals who exhibit, are trained to deliver and are rewarded for independence of thought, character, judgment, accountability, responsibility, a sense of duty that goes beyond the individual's self-interest or the narrow interest of the firm.

Furthermore, delivering the right culture means embedding a pride in the organisation, what it stands for, a responsibility to do the right thing for customers and an understanding of what is expected by society.

What does this mean in practice?

It means training, using the appraisal system and incentives to ensure employees understand what is really expected of them and why.

It means encouraging the calling out of both good and bad behaviour and rewarding and celebrating those who escalate their concerns, even if they are sometimes wrong.

It means creating a culture of shared values where everyone takes responsibility for identifying behaviours at odds with those values, and it means focussing on understanding what drives good people to cross the line occasionally.

All of this highlights the importance of a systematic approach to defining, teaching, reinforcing, rewarding and enforcing values in terms of behaviour.

CISI has been a leader in this field with its Integrity Matters program, using workshops that pose challenging dilemmas to test participants' ability to make ethical decisions in the workplace.

The Speak Up program is an extension of this work – and if I may congratulate CISI for badging this program as it has rather than using the term whistleblowing which has a much narrower and more sinister connotation in many people's minds. We want our people to share concerns with colleagues and supervisors as part of everyday life rather than as a last resort event when the pattern of behaviour has degenerated to toxic.

Training programs like this are really important, because if society is to be confident about behavioural values it has to trust the industry to deliver them, and organisations have to trust

their people to deliver. That trust can only be built over time, through being earned by the aggregate of experiences shared within society together with an assurance that required behaviours are constantly being refined to match emerging expectations.

Embedding all of this requires significant investment in training and helping staff to think carefully about how to deal with complex trade-offs. Programs such as this make a significant contribution to that comprehension.

Thank you for listening.