



BANKING
STANDARDS
BOARD



ASSESSMENT
RESULTS
2019



TABLE OF CONTENTS

2019 KEY FINDINGS	3
• SELECTED 2019 BSB SURVEY STATISTICS	4
RESPONSE STATISTICS 2016 - 2019	5
SURVEY SCORES BY QUESTION – 2016 TO 2019	6
SURVEY SCORES BY QUESTION: OSIIs and NON-OSIIs – 2016 TO 2019	7
REGRESSION ANALYSIS OF SURVEY DATA – 2019	8
SURVEY RESULTS BY QUESTION – 2019	9
ANNEX	13
• BSB ASSESSMENT FRAMEWORK OVERVIEW	13
• CORE SURVEY QUESTIONS	14
• ADDITIONAL SURVEY QUESTIONS – 2019	16

2019 KEY FINDINGS

- The BSB Survey scores of UK banks and building societies, taken as a group, showed little change in 2019. This followed a similar tendency in 2018, meaning that – over the four years in which the Survey has been run to date – the overall picture is one of improving scores in 2017 followed by a sideways trend.
- Given the efforts that many firms have been taking to understand and manage their organisational cultures, this lack of change may come as a surprise and disappointment. Two considerations should be kept in mind when interpreting this overall finding.
- First, without the steps that firms have been taking, these aggregate scores may have been lower. In a context of ongoing internal and external change, firms in aggregate may have been running hard to stand still (and as this data set relates only to banking, it cannot offer a counterfactual from other sectors). Actions taken by firms may take time to show results; culture change rarely happens quickly or in a straight line. Or, of course, none of this may be the case. Understanding the data is not to excuse it; it is, however, central to being able to take effective action.
- Second, the stability of scores across all firms collectively, hides considerable movement and differences between and within firms. Even when we divide firms simply into two groups – large, complex (i.e. systemically important) firms and smaller, less complex firms – differences emerge. Taken together, the scores of large complex firms trended sideways in 2018 and 2019, holding onto earlier improvements. The aggregate scores of smaller firms, in contrast, have tended to decline over the past few years, albeit on many questions from a higher starting point than that of larger firms. This has been particularly evident on some questions relating to responsiveness and reliability. At the level of individual firms and business areas within firms, variation and change is even more evident.
- Over the period since 2016, the greatest improvements in scores across all firms in aggregate have been on questions relating to responding to staff feedback and to perceptions of senior leaders. Women tend to answer the Survey questions more positively than do men. The main exception to this in 2019 (as in previous years) came on the question about whether people turned a blind eye to inappropriate behaviour.
- We asked respondents for the first time in 2019 about their ethnicity. For several questions – and controlling for other characteristics such as gender, business area etc – the responses of people who identified as ‘White-British’ were more positive than those of other respondents, and in particular on questions relating to ethical behaviour in the firm.
- A quarter of employees said that working at their firm had a negative impact on their health and wellbeing. This proportion has shown little change over the past four years. 37% of employees said that they routinely slept for 6 hours or fewer each night, and 29% that they felt fatigued or very tired at work every or almost every day. Given the importance of sufficient sleep not only for physical and mental health, but also for the ability to exercise professional and ethical judgement, this may be something that the industry wishes to explore further.

SELECTED 2019 BSB SURVEY STATISTICS

Leadership

- 70% of respondents believed in 2019 that senior leaders meant what they said and 66% that leaders took responsibility, especially if things went wrong. Both proportions have increased by eight percentage points since 2016; this is the biggest change in responses to any of the 36 Survey questions over the four-year period, though with most of the gains coming in the first year.

Shared purpose

- 85% of employees said that their organisation's purpose and values were meaningful to them. This proportion was comparable with 2018, and a 4 percentage point increase from the first year of the Survey in 2016. 66% said that there was no conflict between their organisation's stated values and how business was done; a similar proportion as in 2018, but a 3 percentage point decrease from 2016.

Speaking up

- 30% of employees said that people got defensive when their views were challenged by colleagues and 28% that they would be worried about negative consequences if they raised concerns at work. While the first of these has improved since 2016 (when it stood at 34%), the latter has shown little change. 78% of employees would feel comfortable challenging a decision made by their manager; a 4 percentage point increase since 2016.

Resilience

- 42% of employees said that they often felt under excessive pressure to perform at work, while 25% said that working at their organisation was having a negative impact on their health and wellbeing, a proportion little changed from 2016.
- In 2019 we collected data on sleep and fatigue for the first time. 37% of employees said that they sleep for six hours or fewer each night and 29% said that they felt fatigued or very tired at work every or day or almost every day.

Honesty

- 70% of respondents believed in 2019 that senior leaders meant what they said and 66% that they took responsibility, especially if things went wrong. Both proportions have increased by eight percentage points since 2016; this is the biggest change in responses to any of the 36 Survey questions over the four-year period, though with most of the gains coming in the first year.
- 90% of employees said that their colleagues acted in an honest and ethical way. 13%, however, said that they had seen instances of unethical behaviour being rewarded and 14% felt it was difficult to make career progression without flexing their ethical standards. This picture has been consistent since 2016.

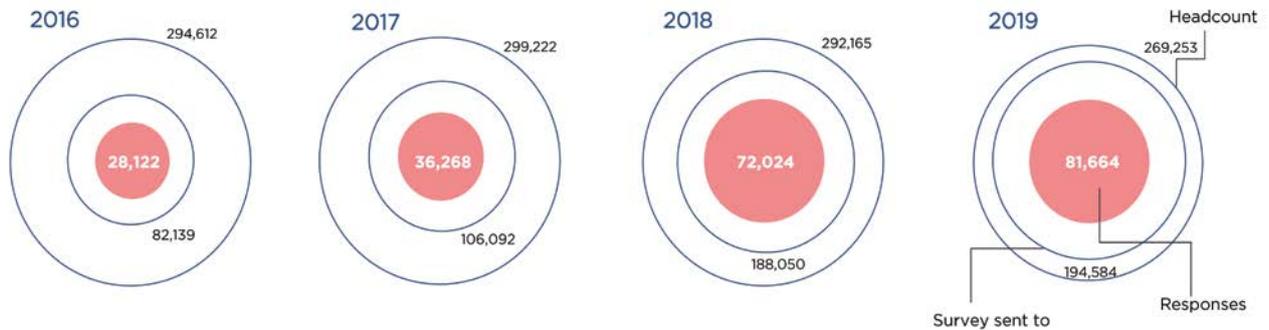
Responsiveness

- 79% of employees agreed that their organisation encouraged innovation in the best interests of customers - a 4 percentage point increase since 2016. A consistent 55%, however, felt that internal process and practices were a barrier to continuous improvement. 75% felt that their organisation responded effectively to customer feedback, and 63% to staff feedback. Both proportions were unchanged on the year but have improved since 2016.

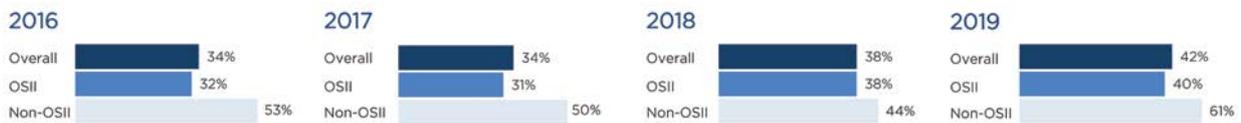
Accountability

- 19% of employees said that they see people in their organisation turn a blind eye to inappropriate behaviour. Though women answered slightly more positively than men, on average, across most questions, they were more likely to say they saw people turn a blind eye to inappropriate behaviour (21%, compared to 15% of men).

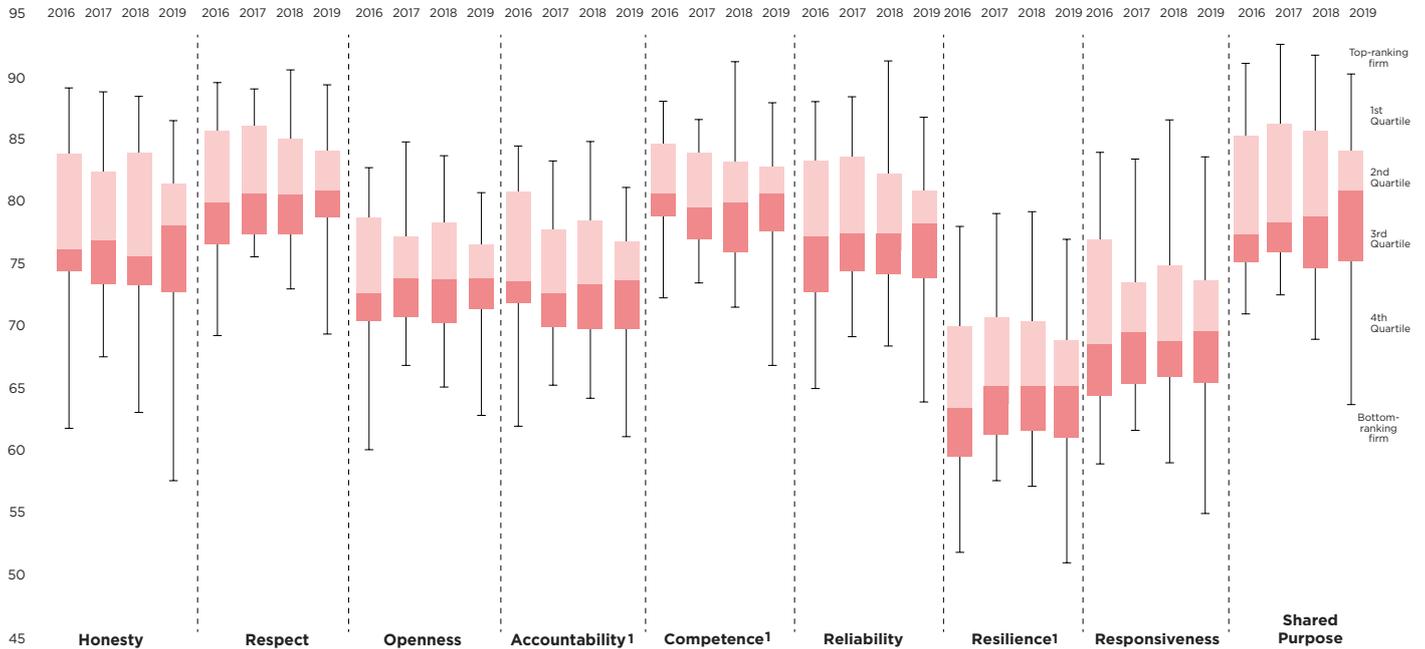
RESPONSE STATISTICS 2016 - 2019



Response Rates

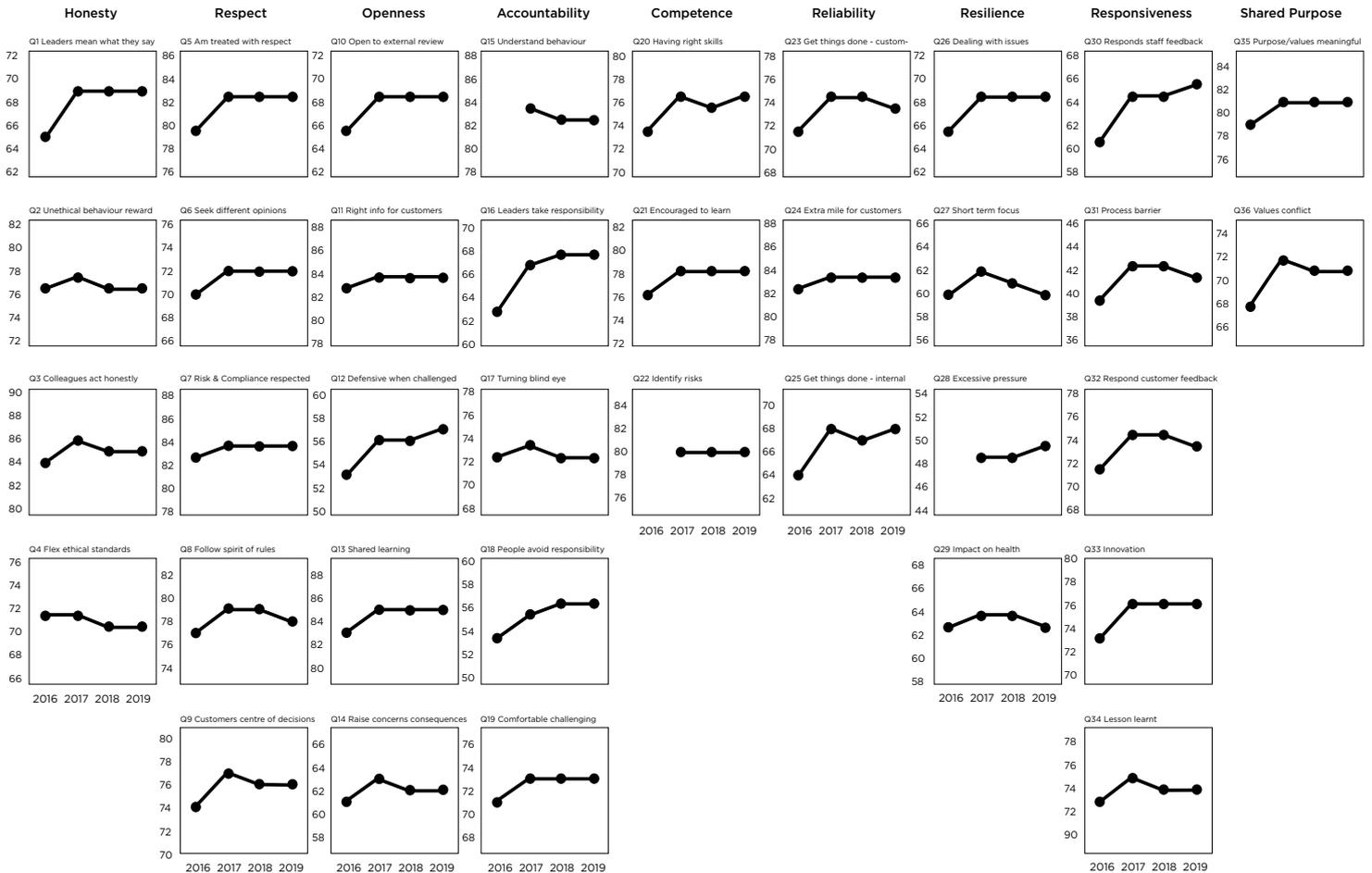


DISTRIBUTION OF FIRM SCORES BY CHARACTERISTIC – 2016 TO 2019



¹ The wording of three questions changed between 2016 and 2017. This may have affected the trend for accountability, competence and resilience.

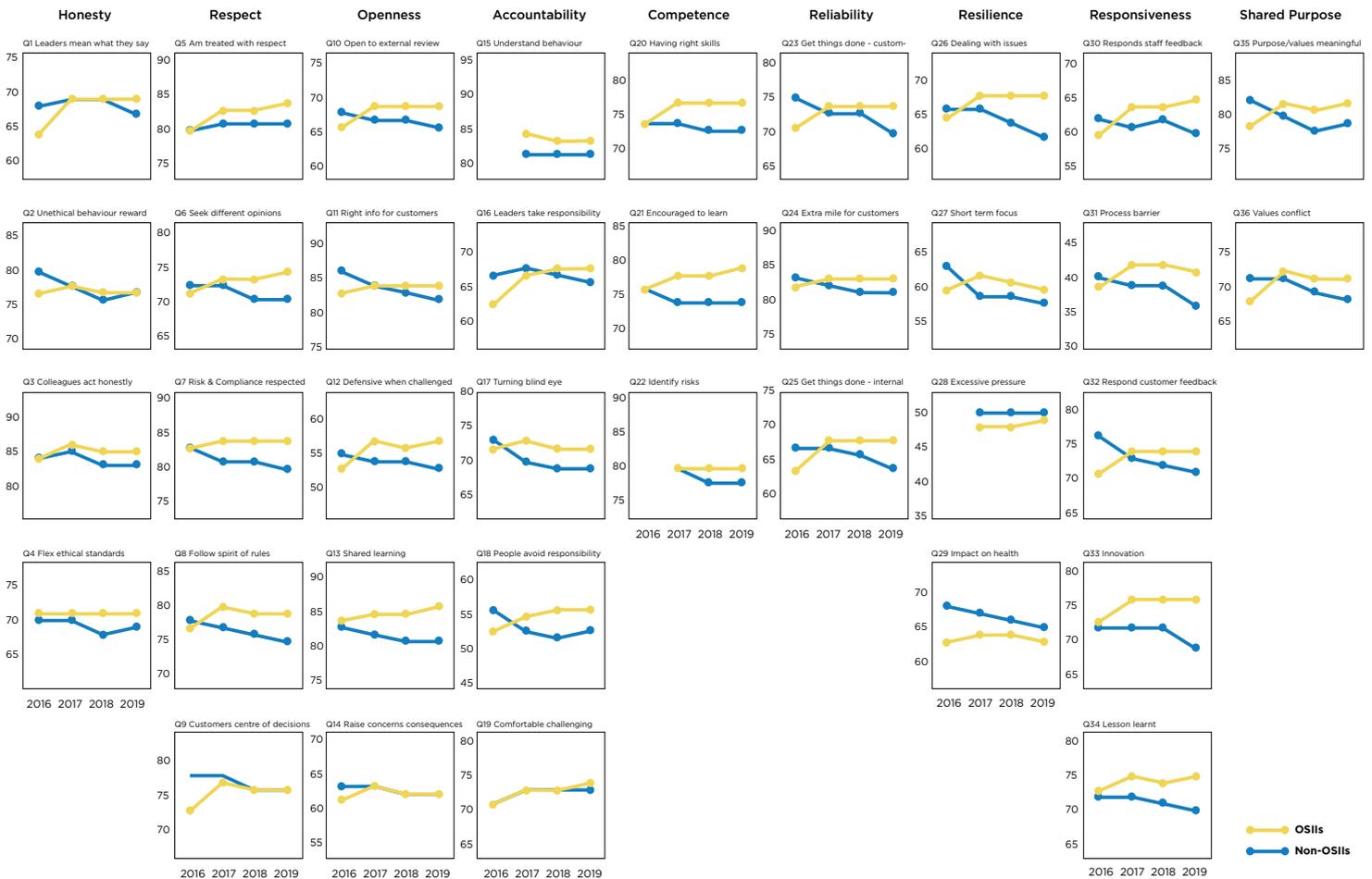
SURVEY SCORES BY QUESTION – 2016 TO 2019



Notes:

1. The minimum and maximum of the vertical axis differs for each chart, but the scale is consistent so that a one point improvement is always the same size.
2. The wording of Q15, Q22 and Q28 was amended in the 2017 Survey. While changes in scores on these questions from 2016 may in part reflect changes in the perceptions and observations of firms' employees, they will also reflect the modified framing of these questions. Score changes for these questions between 2016 and 2017 are therefore not included here.

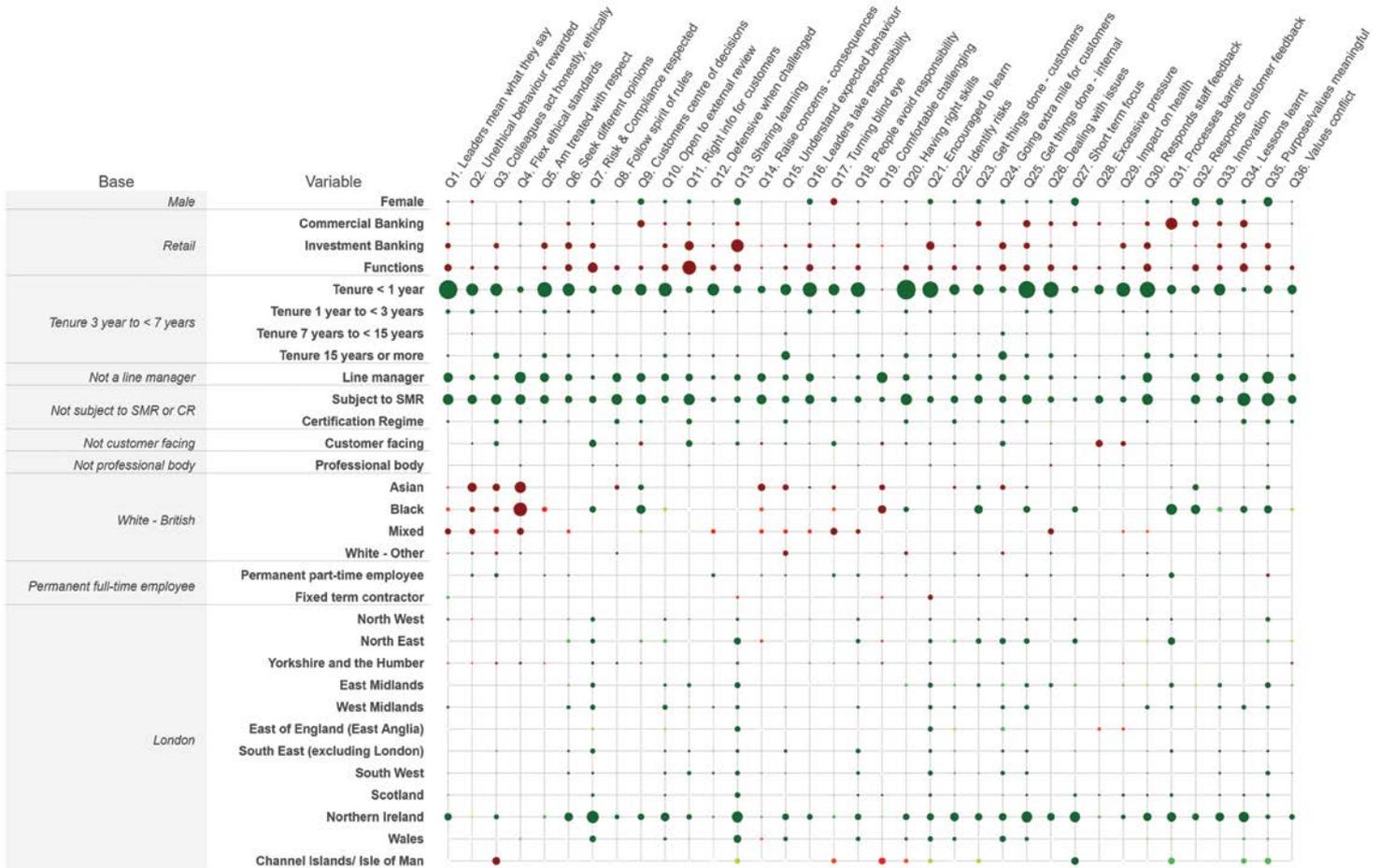
SURVEY SCORES BY QUESTION: OSIIs and NON-OSIIs – 2016 TO 2019



Notes:

1. The minimum and maximum of the vertical axis differs for each chart, but the scale is consistent so that a one point improvement is always the same size.
2. The wording of Q15, Q22 and Q28 was amended in the 2017 Survey. While changes in scores on these questions from 2016 may in part reflect changes in the perceptions and observations of firms' employees, they will also reflect the modified framing of these questions. Score changes for these questions between 2016 and 2017 are therefore not included here.

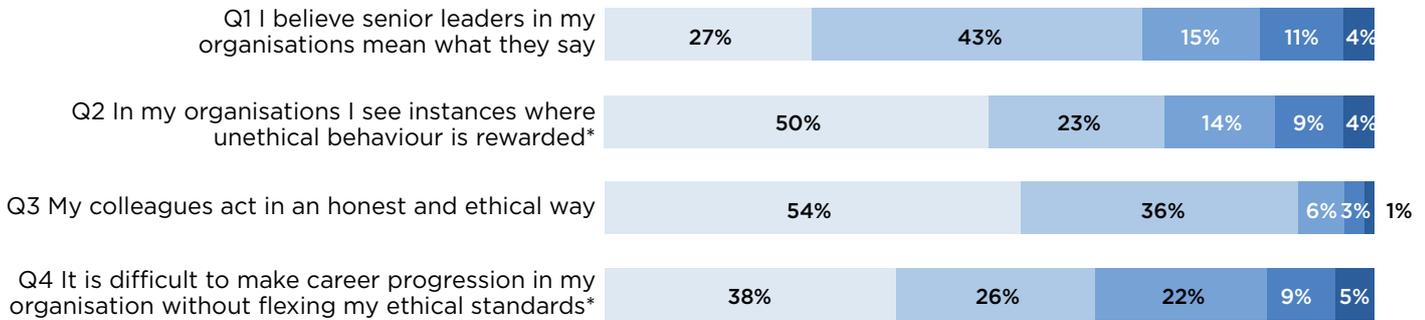
REGRESSION ANALYSIS OF SURVEY DATA – 2019



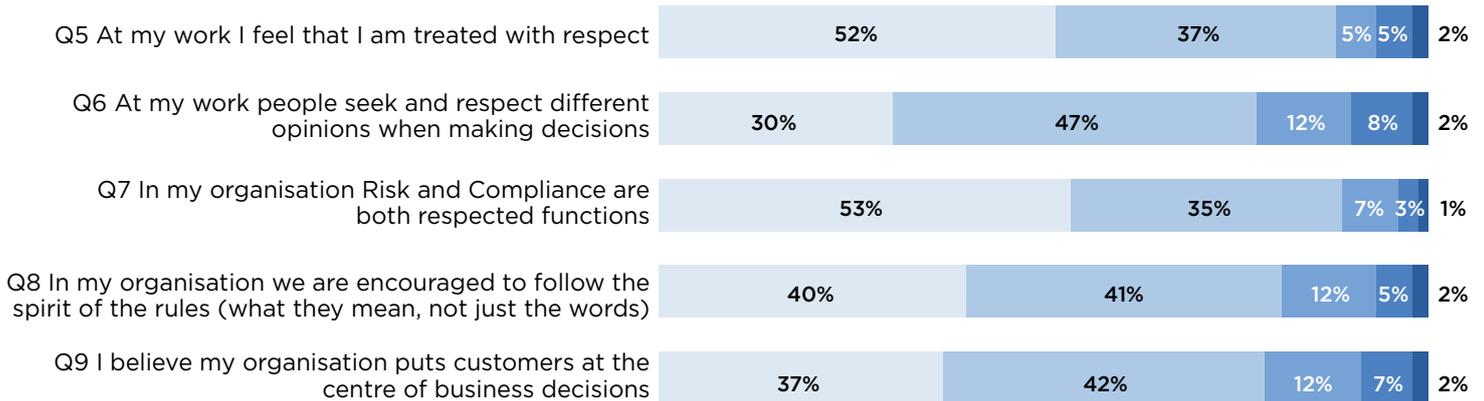
Note: The graphic above presents the results of an ordinal logistic regression of the 2019 Survey data. This shows how important one attribute (the 'variable') is relative to another (the 'base attribute') in explaining how different questions are answered across the respondent population (e.g. by gender, business area, tenure etc.). Green circles indicate that possessing a particular attribute (e.g. having a tenure of less than 1 year) positively influences answers to a given question in a statistically significant way, compared to someone with the base attribute (which in this example would be a tenure of 3 to 7 years). Red circles, conversely, indicate that having a particular attribute negatively influences the response to that question. The size of the circles indicate the strength of the influence of the attribute concerned. For the purposes of this analysis negatively phrased questions in the Survey are reversed, so that for every question – whether positively or negatively phrased – a green circle represents a more favourable response for the variable attribute relative to the base. Firm-specific effects are controlled for in this analysis, but are not presented.

SURVEY RESULTS BY QUESTION – 2019

Honesty



Respect



Key for positively phrased questions

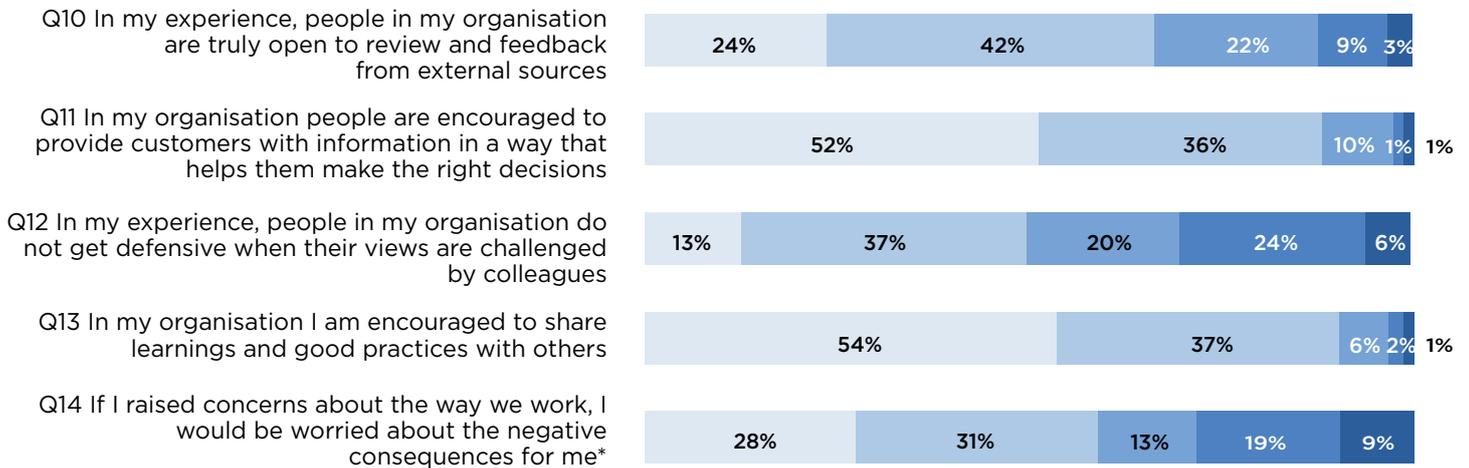
Strongly agree Somewhat agree Neutral Somewhat disagree Strongly disagree

*Key for negatively phrased questions

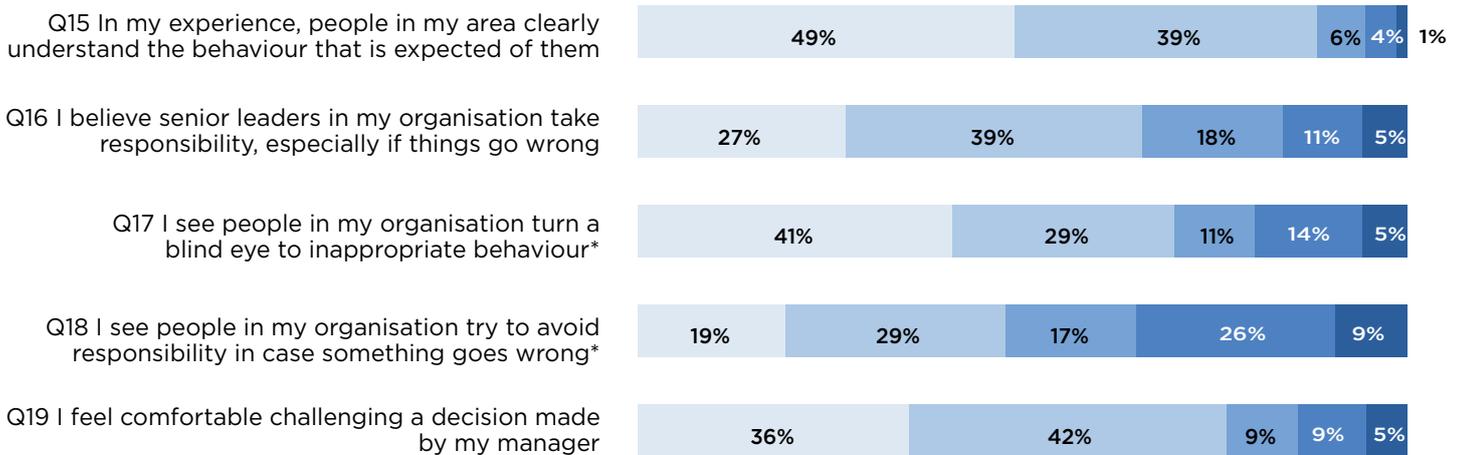
Strongly agree Somewhat agree Neutral Somewhat disagree Strongly disagree

SURVEY RESULTS BY QUESTION – 2019

Openness



Accountability



Key for positively phrased questions

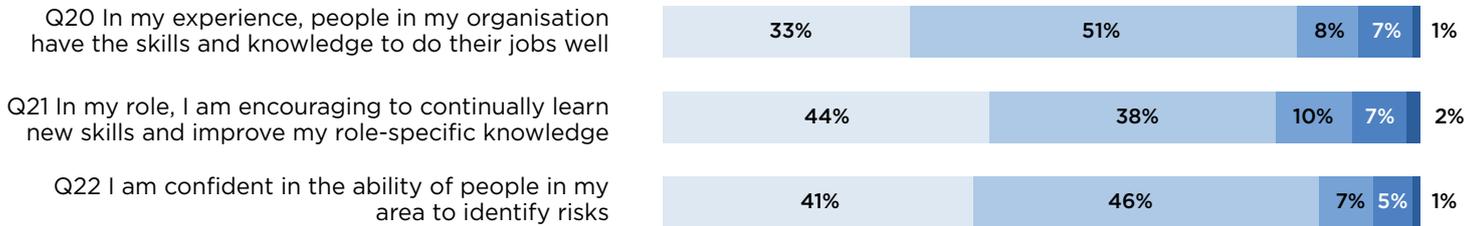
Strongly agree Somewhat agree Neutral Somewhat disagree Strongly disagree

*Key for negatively phrased questions

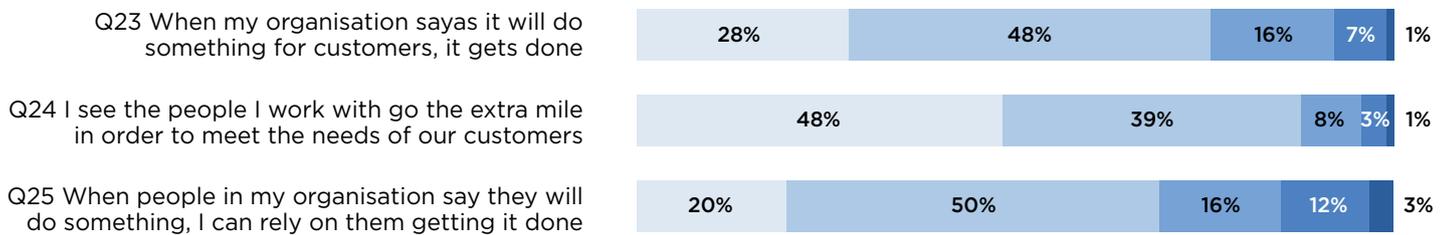
Strongly agree Somewhat agree Neutral Somewhat disagree Strongly disagree

SURVEY RESULTS BY QUESTION – 2019

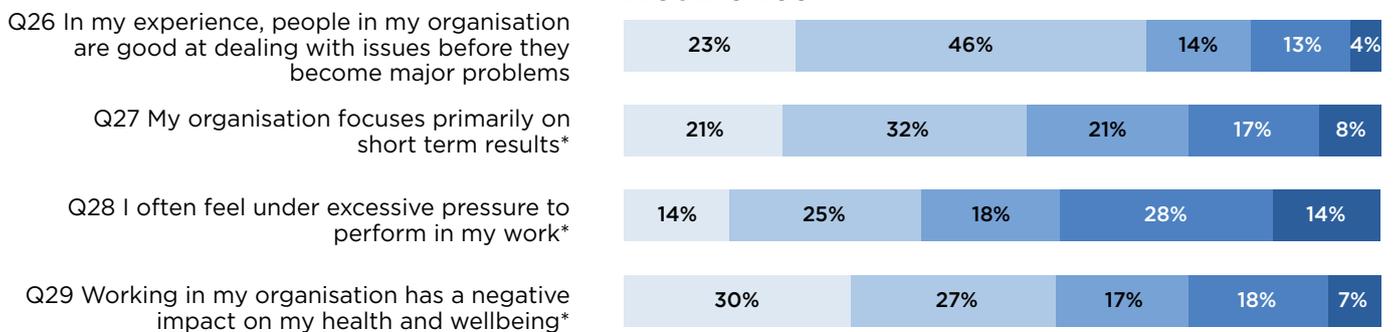
Competence



Reliability



Resilience



Key for positively phrased questions

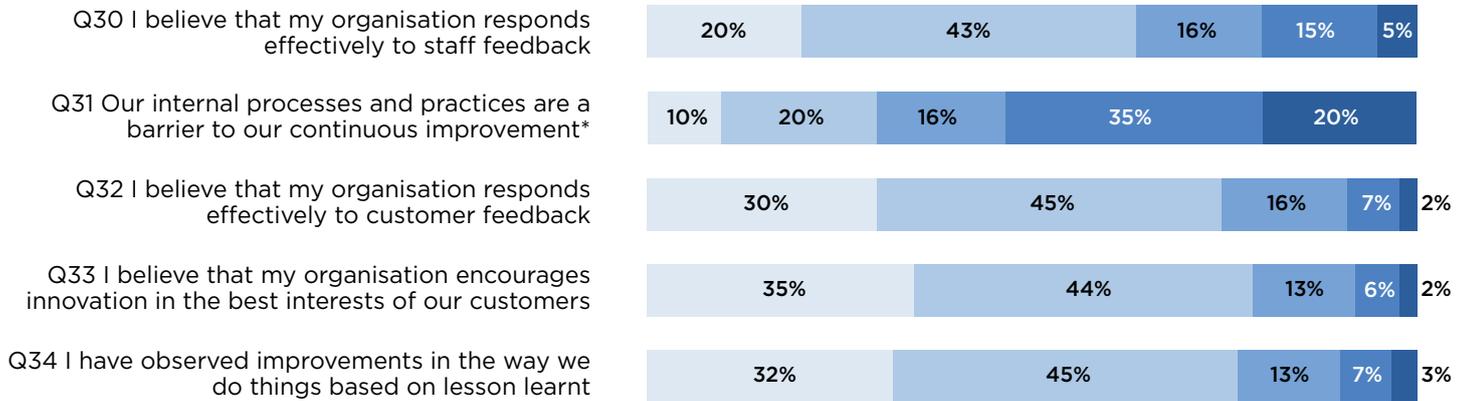


*Key for negatively phrased questions

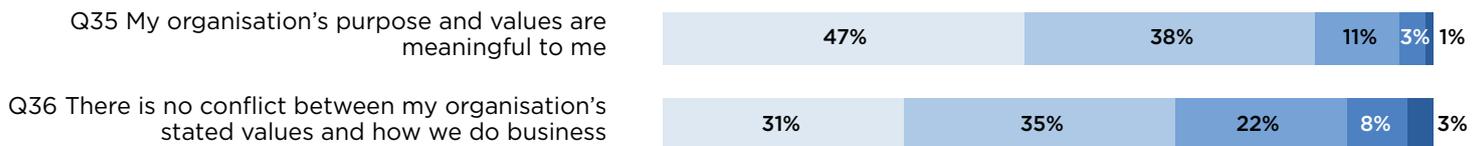


SURVEY RESULTS BY QUESTION – 2019

Responsiveness



Shared Purpose



Key for positively phrased questions

Strongly agree
 Somewhat agree
 Neutral
 Somewhat disagree
 Strongly disagree

*Key for negatively phrased questions

Strongly agree
 Somewhat agree
 Neutral
 Somewhat disagree
 Strongly disagree

ANNEX

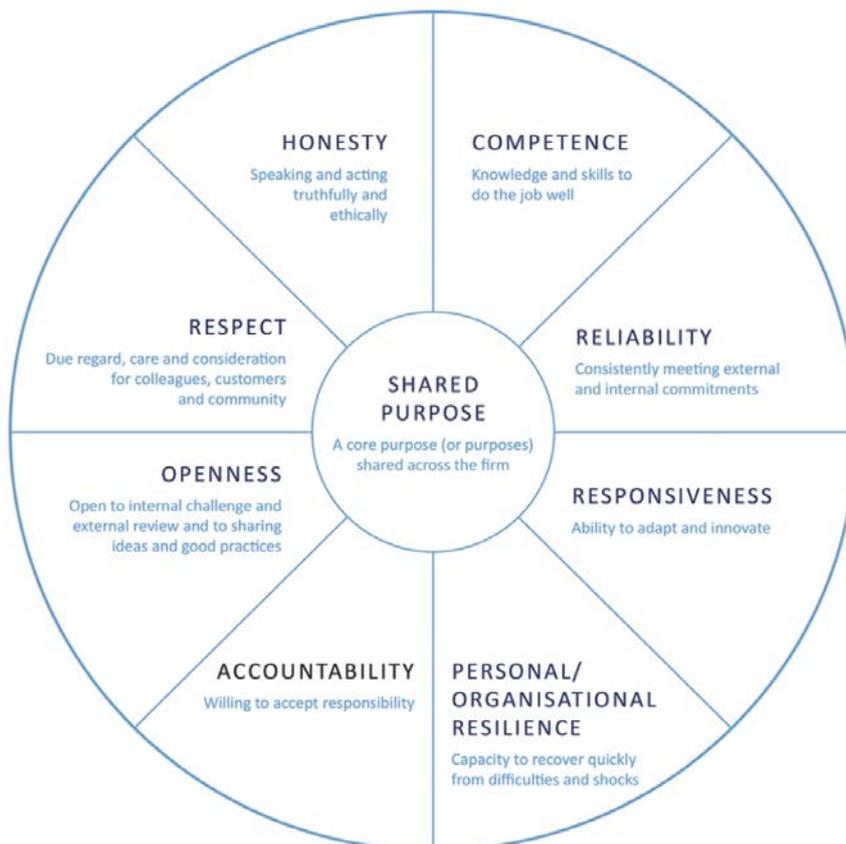
BSB ASSESSMENT FRAMEWORK OVERVIEW

The BSB’s Assessment is intended to provide member firms with the evidence, support and challenge to help them achieve and maintain high standards of behaviour and competence, individually and collectively.

Underpinning this dual approach is a framework of nine characteristics, both ethical and professional, that we would expect to lead to good outcomes for customers, members, clients, employees or investors and the economy and society as a whole; characteristics that we would therefore expect to be associated with any good culture in banking.

Our Assessment does not assess firms against a template of what a ‘good’ culture looks like. There is no uniquely good (or bad) organisational culture against which all others can be measured. Firms with very different cultures can produce equally good or bad outcomes for customers and clients and more broadly.

We do not, therefore, set out to measure or rank culture directly. Rather, we ask how far each of our nine characteristics is demonstrated by the firm and relative to other firms. We would expect a firm that strongly exhibited our nine characteristics to be better equipped and more likely to service its customers, members and clients well, than one in which these elements were lacking.



CORE SURVEY QUESTIONS

Honesty

1. I believe senior leaders in my organisation mean what they say
2. In my organisation I see instances where unethical behaviour is rewarded
3. My colleagues act in an honest and ethical way
4. It is difficult to make career progression in my organisation without flexing my ethical standards

Respect

5. At my work I feel that I am treated with respect
6. At my work people seek and respect different opinions when making decisions
7. In my organisation Risk and Compliance are both respected functions
8. In my organisation we are encouraged to follow the spirit of the rules (what they mean, not just the words)
9. I believe my organisation puts customers at the centre of business decisions

Openness

10. In my experience, people in my organisation are truly open to review and feedback from external sources
11. In my organisation people are encouraged to provide customers with information in a way that helps them make the right decisions
12. In my experience, people in my organisation do not get defensive when their views are challenged by colleagues
13. In my organisation I am encouraged to share learnings and good practices with others
14. If I raised concerns about the way we work, I would be worried about the negative consequences for me

Accountability

15. In my experience, people in my area clearly understand the behaviour that is expected of them
16. I believe senior leaders in my organisation take responsibility, especially if things go wrong
17. I see people in my organisation turn a blind eye to inappropriate behaviour
18. I see people in my organisation try to avoid responsibility in case something goes wrong
19. I feel comfortable challenging a decision made by my manager

Positively framed questions
Negatively framed questions

CORE SURVEY QUESTIONS

Competence

- 20. In my experience, people in my organisation have the skills and knowledge to do their jobs well
- 21. In my role, I am encouraged to continually learn new skills and improve my role-specific knowledge
- 22. I am confident in the ability of people in my area to identify risks

Reliability

- 23. When my organisation says it will do something for customers, it gets done
- 24. I see the people I work with go the extra mile in order to meet the needs of our customers
- 25. When people in my organisation say they will do something, I can rely on them getting it done

Resilience

- 26. In my experience, people in my organisation are good at dealing with issues before they become major problems
- 27. My organisation focuses primarily on short term results
- 28. I often feel under excessive pressure to perform in my work
- 29. Working in my organisation has a negative impact on my health and well-being

Responsiveness

- 30. I believe that my organisation responds effectively to staff feedback
- 31. Our internal processes and practices are a barrier to our continuous improvement
- 32. I believe that my organisation responds effectively to customer feedback
- 33. I believe that my organisation encourages innovation in the best interests of our customers
- 34. I have observed improvements in the way we do things based on lessons learnt

Shared Purpose

- 35. My organisation's purpose and values are meaningful to me
- 36. There is no conflict between my organisation's stated values and how we do business

Free text question

- 37. What three words would you use to describe your organisation?

ADDITIONAL SURVEY QUESTIONS – 2019 (1 OF 6)

Speaking up (1 of 2)

Questions

[Ask all respondents]

Have you wanted to raise concerns at your organisation over the last 12 months? (Please select any that apply.)

- No, I have not wanted to raise concerns at my organisation over the last 12 months
Those who answered 'no' to this question proceeded to the additional Survey questions on decision-making.

- Yes, relating to actions not in the best interests of customers, clients or members
- Yes, relating to actions that damage market integrity
- Yes, relating to ignoring internal policies and procedures
- Yes, relating to sexual harassment
- Yes, relating to bullying
- Yes, relating to discrimination
- Yes, relating to workload
- Yes, relating to performance management
- Yes, relating to colleagues' competence or capability
- Yes, relating to something else (please specify _____)
- Prefer not to say

[Ask only respondents who answered 'yes' to the previous question]

In the previous question you answered yes to having wanted to raise a concern at your organisation over the last 12 months. Did you raise your concerns about this issue? (If yes, please select the one issue that concerned you most.)

- No, I have not raised a concern at my organisation over the last 12 months
Those who answered 'no' to this question proceeded to the additional Survey questions on decision-making.

- Yes, relating to actions not in the best interests of customers, clients or members
- Yes, relating to actions that damage market integrity
- Yes, relating to ignoring internal policies and procedures
- Yes, relating to sexual harassment
- Yes, relating to bullying
- Yes, relating to discrimination
- Yes, relating to workload
- Yes, relating to performance management
- Yes, relating to colleagues' competence or capability
- Yes, relating to something else (please specify _____)
- Prefer not to say

Speaking up questions continue on next page

ADDITIONAL SURVEY QUESTIONS – 2019 (2 OF 6)

Speaking up (2 of 2)

Questions

[Ask only respondents who answered 'yes' to the previous question]

How did you raise this concern? (Please select any that apply.)

- Raised with your line manager(s)
- Raised with senior management (not including your line manager)
- Raised with HR
- Raised with a designated 'speak-up contact/champion/guardian' at your firm
- Raised with a trade union representative
- Raised with other colleague at your firm
- Called an internal hotline
- Emailed a generic 'speak-up' mailbox at your firm
- Used a 'speak-up' web-based service or mobile application provided by your firm
- Raised with a third party contracted by your firm
- Raised with an external body / organisation (outside your firm)
- Other (please specify _____)
- Prefer not to say

[Ask only respondents who selected a channel in the previous questions]

How satisfied are you with how your concern was dealt with?

- Very satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't know

ADDITIONAL SURVEY QUESTIONS – 2019 (3 OF 6)

Decision-making (1 of 3)

Questions

[Ask all respondents]

To what extent do you agree or disagree with the statement: ‘I feel that my work makes a positive difference to others’?

Please consider the following groups when answering such as your family, work colleagues, your line manager(s), senior leaders in your organisation, shareholders/owners, customers/clients/members, the local community and society at large.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- *[Ask only respondents who answered ‘yes’ to the previous question]*

[Ask only respondents who ‘strongly agree’ or ‘somewhat agree’ with the previous question]

In the previous question you agreed that your work makes a positive difference to others. Who do you see as the beneficiaries? (Please select any that apply.)

- Your family
- Work colleagues
- Your line manager(s)
- Senior leaders in your organisation
- Your organisation’s shareholders / owners
- Customers / clients / members
- The local community
- Society at large
- Other (please specify) _____

ADDITIONAL SURVEY QUESTIONS – 2019 (4 OF 6)

Decision-making (2 of 3)

Questions

[Ask all respondents]

To what extent do you agree or disagree with the statement: ‘I feel that my work has a negative impact on others’?

Please consider the following groups when answering such as your family, work colleagues, your line manager(s), senior leaders in your organisation, shareholders/owners, customers/clients/members, the local community and society at large.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

[Ask only respondents who ‘strongly agree’ or ‘somewhat agree’ with the previous question]

In the previous question you agreed that your work has a negative impact on others. Who do you see as being negatively impacted?

(Please select any that apply.)

- Your family
- Work colleagues
- Your line manager(s)
- Senior leaders in your organisation
- Your organisation’s shareholders / owners
- Customers / clients / members
- The local community
- Society at large
- Other (please specify) _____

ADDITIONAL SURVEY QUESTIONS – 2019 (5 OF 6)

Decision-making (3 of 3)

Questions

[Ask all respondents]

To what extent do you agree or disagree with the statement: ‘I feel that other people value me for my work’?

Please consider the following groups when answering such as your family, work colleagues, your line manager(s), senior leaders in your organisation, shareholders/owners, customers/clients/members, the local community and society at large.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree

[Ask only respondents who ‘strongly agree’ or ‘somewhat agree’ with the previous question]

In the previous question you agreed that other people value you for your work. Who do you see as valuing you for your work?

(Please select any that apply.)

- Your family
- Work colleagues
- Your line manager(s)
- Senior leaders in your organisation
- Your organisation’s shareholders / owners
- Customers / clients / members
- The local community
- Society at large
- Other (please specify) _____

ADDITIONAL SURVEY QUESTIONS – 2019 (6 OF 6)

Sleep and fatigue

Questions

[Ask all respondents]

On average, how many hours of sleep do you get in a 24-hour period?

[Ask all respondents]

During your working time, how often do you feel fatigued or very tired?

- Every day
- Almost every day
- 3-4 times per week
- 1-2 times per week
- 1-2 times per month
- Rarely or never
- Prefer not to say