

Bank scandals demonstrate cultural dilemma

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Culture is not something we 'have'. It's something we 'do'. And leaders are the walking billboards that communicate what's okay and what's not okay around here.

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At last the 'c' word has entered the business debate. As the banking revelations tumbled out one after the other, people everywhere started to suggest that something urgently needs to be done about the culture of our large organisations. Even the Tánaiste called for a corporate culture check, especially at the top.

Not just outsiders, but highly respected business insiders have been waving this flag for some time. And in the light of what VISA founder Dee Hock has labelled "a global institutional failure", few would disagree with the call for action. But what action?

There have been suggestions that the rules and regulations of corporate governance need tightening up and demands for heads to roll, 'to show we're taking things seriously'. While such moves may help, something much deeper needs attention: behind every corporate scandal lies a belief and value system - a culture - that enables irresponsible practices to flourish.

The problem with the debate around culture is that it usually presents culture as something we *have*... something that can somehow be tweaked or adjusted, or 'overhauled' as one commentator delicately put it. But culture is not something we 'have'. It's something we *create* moment by moment through the myriad choices and decisions that translate into the behaviour that collectively communicates who we are and what we stand for.

Corporate culture is a print-out of the shared beliefs and assumptions that underpin the organisation's purpose, and the values that guide its behaviour. Values are obviously a critical piece of the jigsaw and many organisations have articulated a set of core values they aspire to observe in their day-to-day behaviour. The trouble is, when push comes to shove, the higher values are easily set aside in favour of the lower values of self-interest and profit - and some would say, greed.

This leads to corporate schizophrenia where a bank, for example, can publicly declare that it values its customers, while privately ripping them off. Or create the facade of a model corporate

citizen while dodging its full tax liability. Or defend its decision to invest in a pornographic venture because it is “a legal and regulated business”, and because “sex sells”, while its CEO resigns because he infringed bank rules by viewing adult material on his office computer. Extraordinary stuff.

If we are serious about transforming organisational culture, we need to take a good hard look at the values that underpin business in general, and financial institutions in particular. And we need to revisit how we define leadership.

Leadership isn't easy. The duty of care it carries is onerous precisely because a leader's footprint is wide and influential. Like walking billboards, their behaviour powerfully communicates a value system that says what's okay and what's not okay around here. Then, like ripples on a pond, those around them transform those values into policies and practices that shape entire organisations, amplifying and communicating that value system into society with a profound shaping affect on all of us. Walk talks.

The relationship between leadership and culture is circular. Leaders call forth culture, but equally a culture calls forth a certain kind of leader. And while we can scapegoat particular individuals or organisations or whole industries when standards slide, the erosion will continue so long as the majority stands by and lets it happen. In the context of a business community where peer pressure supports collective denial, even at the highest level, there has to be a willingness to break the silence and speak out when something is profoundly wrong.

Whether in banking or any other part of society, the individual members of any class which commits crimes and misdemeanours, must take responsibility for the behaviour of their class, and work to stop the rot. Unless we fight for what we value, we lose it. And until we speak out courageously for what we believe, and for what we believe is possible, nothing much will change. ||| dya

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