



Irish Banking  
Culture Board

**DECiDE**



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# Introduction

The Irish Banking Culture Board (IBCB) was established in April 2019, and is an independent industry initiative, founded by the five retail banks operating in Ireland (Allied Irish Banks, Bank of Ireland, KBC Bank Ireland, Permanent TSB & Ulster Bank). The overall purpose of the IBCB is to work with the industry and its wider stakeholders to rebuild **trust** in the sector through demonstrating a change in behaviour and overall culture. The IBCB will promote and measure an environment in which ethical behaviour lies at the heart of banking; fair customer outcomes are achieved; staff are supported and reputation for competence is rediscovered.

The business of banking is founded on trust and ethical behaviour is a cornerstone of trust. The manner in which decisions are made is a key barometer of an institution's ethical conduct. To gain trust, an institution's internal and external stakeholders must have confidence that decisions, at all levels, are made in a fair and transparent manner.

Demonstrating ethical decision-making consistently is challenging and is not unique to the banking industry. Feedback from staff in our member banks and other stakeholders including customers,

highlighted the challenges involved in linking an organisation's stated ethical values and behavioural requirements with the day to day decisions which staff across banks make on an ongoing basis.

Prompted by this feedback the IBCB decided to develop a practical decision-making framework aimed at staff at all levels in banks, from the top down.

The **DECIDE** decision-making framework incorporates established theories and practices in relation to ethics and decision making and has been developed by the IBCB through a co-create process involving staff from across our five member banks (AIB, BOI, KBC Bank Ireland, Permanent TSB and Ulster Bank) and IBCB Board members which include consumer and small business representatives, legal specialists, and an eminent corporate governance academic. Input has also been provided by external industry stakeholders including the office of the Financial Services and Pensions Ombudsman (FSPO) and our education partner, IOB. The framework has also been shaped by media and political perspectives in relation to decision making within banks. We would like to thank all of those who contributed to the process.

Banking is a highly regulated industry and many decisions will be subject to compliance with relevant legal and regulatory requirements as well as internal policies. It is imperative that staff abide by these requirements in all relevant decision making and compliance with same is an implicit requirement of **DECIDE**.

It is hoped that **DECIDE** will be actively used to support decision-making across IBCB member banks, in conjunction with any existing internal tools and frameworks and that it will assist in achieving good outcomes for staff, customers and other key stakeholders. The framework will be reviewed and amended based on experience and feedback. It is intended to develop a means to assess its impact, in due course.

**DECIDE** is just one element of the IBCB's focus on cultural change which includes initiatives relating to Speaking Up and Psychological Safety, as well as a series of initiatives aimed at bank customers and external stakeholders. **DECIDE** will sit within the wider organisational culture programmes across each of our member banks.

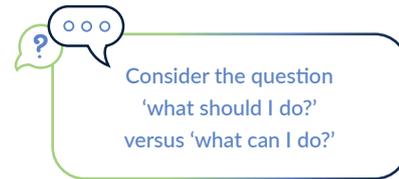
# What is the **DECIDE** Framework and how should it be used?

Ethical decision-making means different things to different people. Generally, it relates to decisions which:

- require a judgement call;
- where there is no black and white answer, where the 'grey' can be difficult to navigate or identify;
- where there are multiple and different impacts for stakeholders.

The purpose of the **DECIDE** framework is to assist with this decision-making process by prompting you to consider various elements which will enable you as the decision-maker to be able to stand over the decision you took at a point in time, even if it transpires in due course that the decision was not optimum.

Like all businesses, bank staff are frequently required to make commercial decisions which will not always be popular, the challenge is to ensure that these decisions are taken fairly and transparently, with appropriate consideration of their impacts.



**DECIDE** is designed to be practical, informed by experience and user-friendly. Self-reflection is a critical component of ethical decision making – we all have personal biases and influences that can shape our thinking, and many of these may not be immediately obvious to us. It is important to take the time to consider how these influences can impact our decision-making.

A further element within **DECIDE** is to prompt decision makers to reflect on the potential negative impact of short-term perspectives or influences on their decisions and the importance of ensuring that long-term outcomes are given appropriate consideration.

This framework has been designed to act as a useful support for individual bank staff of all levels but also to be an aid for discussions on ethical decision-making at team meetings and other internal sessions. The way to make this topic real is to have regular conversations about it and to recognise the value of alternative perspectives!

It is recommended that internal sessions should make use of hypothetical (and real) ethical dilemmas to support discussion of the framework. A series of hypothetical dilemmas were developed as part of the co-create process and are set out in the supplementary materials and resources to support this booklet.

These additional materials should be used internally when facilitating discussions and awareness raising on the topic. If you would like a copy of these materials, please contact [info@ibcb.ie](mailto:info@ibcb.ie)

Throughout this document you can find additional information on particular topics where you see this symbol

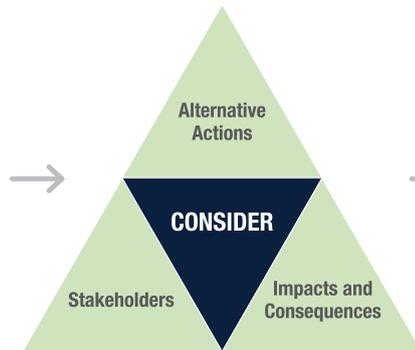


# DECiDE

Discover



Ethical Considerations



i



Decision



Evaluate



SUPPORTS - what supports do you have access to?

# DECIDE

The **DECIDE** framework is composed of the following key elements:

**D - Discover:** understand the facts;

**EC – Ethical Considerations:** take the time to consider the alternatives, different perspectives, the implications for the range of stakeholders involved and the likely impacts and consequences;

**I – You:** ask yourself the questions: How do I impact the decision? What are my personal biases or influencers likely to impact my decision? These are often unconscious or below the line factors that we must make a conscious effort to consider;

**D – Decision:** make the decision and communicate it clearly;

**E- Evaluate:** post the decision, take the time to reflect on it and identify any lessons learned.

**NOTE:** Clearly many decisions are time critical and it may not always be possible to go fully through all the steps set out in **DECIDE**, however you should look to use it as much as possible.



## DECIDE

- is **not** about always making the correct decision! (with hindsight it may be shown not to have been correct/optimum in the eyes of all stakeholders), but;
- it should **assist** with making decisions which are ethical (fair, transparent, balanced etc.) which you as an individual can **stand over**;
- it should act as a prompt to consider different perspectives/consult as relevant;
- it should point towards sources that may assist you.

# DECIDE Discover

## Discover

What is the Dilemma/ Issue/ Situation?

Required Information/ Facts

Who needs to be involved?

SUPPORTS - what supports do you have access to?

## What is the Dilemma/ Issue/ Situation?

- What is the **issue requiring a decision**? What are the reasons for this situation? Where should you start?
- What is the **prevailing culture in your organisation** / what is going on now and what has happened before – and how could/should this be taken into account?

## Required Information/ Facts

- Consider the **information** you currently have and gather any additional facts you'll need to make an informed decision. Try to determine **what information is relevant** and try to focus only on that – be aware that sometimes too much information can be a distraction.
- Understand and verify the facts. Ask questions and seek more clarity where it is needed.
- Is this decision part of a wider decision?
- Identify if **assumptions** are being made. A situation can change when all the facts are known - making a decision based on incomplete information could lead to undesired outcomes.
- What is the culture/ prevalent behaviour within your own team? Does this help or hinder the process and decision? If you were part of a different team, would your answer/ decision be the same?

- How much **time** do you have? Is there enough time to make a balanced and informed decision? Are you subject to 'hot state' decision making?
- Are there other **pressures**? If so, what do they relate to?

'Hot-states' are caused by physical factors such as hunger or tiredness or emotional factors such as time pressure, stress, anger, or grief and can result in specific goals being overshadowed by short-term influences. For example, assume you have set yourself a long-term goal of maintaining a healthy weight and eating nutritiously. However, when you walk into the supermarket you haven't eaten in five hours. When you see biscuits, the driving force of your hunger leads you to seemingly act irrationally by behaving in contradiction to your long-term goals. You are in a 'hot-state', so you buy and eat the biscuits.

All that has happened is that your emotions, which dictate your preferences, have shifted and intensified on a particular object. In the moment, you have a greater emotional reaction that motivates you to alleviate your hunger and give in to your gut, quite literally, rather than abide by your long-term values of health and nutrition. Your values have not necessarily changed. Instead, the quantity and intensity of the emotion resulting from a particular stimuli (hunger) has increased, resulting in you making a decision based on a short-term need rather than your long-term goal.

## Who needs to be involved?

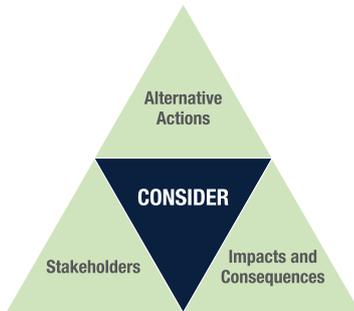
- Who should be involved in the decision? Who is ultimately responsible? Are you the right person to make the decision? (NOTE: *this is not a prompt to avoid accountability, but it is important that decisions are taken by the right people*)
- Is there anyone else you should engage with prior to making the decision?
- Have you considered alternative perspectives? How inclusive is your process?
- Are there any conflicts of interest that might affect your ability to make a fair decision?



**Diversity & Inclusion:** **Diversity** refers to the traits and characteristics that make people unique while **inclusion** refers to the behaviours and social norms that ensure people feel welcome, valued, and respected. A culture of inclusion is essential in harnessing the power of diversity and both are necessary to avoid groupthink.

# DECIDE Ethical Considerations

## Ethical Considerations



SUPPORTS - what supports do you have access to?

### Alternative actions

- What are the alternatives? Consider other available options.
- Are there internal or external policies / regulations/ rules / principles / guidelines / to be followed? How have they been applied in the past?
- Consider how you will look to balance achieving the required outcome with demonstrating that the right behaviours have been applied in getting to that outcome?
- Are you following the 'spirit' of the law or guidance as well as the 'letter' of the law/ guidance?



When one follows the **letter of the law** but not the **spirit**, one is obeying the literal interpretation of the words (the '**letter**') of the law, but not necessarily the intent of the law.

For example, in order to limit the spread of Covid-19 the public have been requested by the public health authorities to wear 'face coverings in shops'. I could put a Halloween plastic kids' face mask over my face. This would technically respect the letter of the requirement from the authorities, but it clearly doesn't respect the spirit of the requirement.

## Impacts and Consequences

- Are you aware of the potential impacts of this decision? What are the positive and negative consequences on: reputation, cost, and legality?
- Consider and weigh the outcomes and consequences for each identified solution. Are you favouring short term over long term benefits? Consider the impact of 'Present Bias' and potential risks associated with 'short-termism'.
- How would your decision be perceived both internally and externally?
- How does the decision fit with your organisation's values?



Present bias refers to the tendency to give stronger weight to results that are more immediate as opposed to longer term when considering options.

Short-termism & Sustainability - 'How' do we do business? A sustainable business must seek to strike the right balance between short and long-term results. A sustainable business will focus on long-term value creation. Over the long-term, **how** a company does business is as important as profit at any one time. Discuss with your team how this concept is being addressed within your bank and how it is being reflected in key decisions.

## Stakeholders

- Who will be impacted by this decision? (e.g. customers, society, your family, work colleagues, management, your organisation, shareholders).
- What are the consequences for these individual stakeholders? What do you think their concerns would be?
- What is the right thing to do for each of those stakeholders? For example, does this decision achieve a positive outcome for customers?
- Are you trying to appease a particular person, customer, or stakeholder?

What do you think is right thing to do for the customer/staff member/the wider organisation? What do you think is the right thing to do in the view of the Regulator? Discuss your perspectives with others to get their views.

# DECIDE The importance of I

Ask yourself the question - How do I impact the decision? What are your personal biases or influencers likely to impact your decision? These are often unconscious or below the line factors that we must make a conscious effort to reflect upon.



SUPPORTS - what supports do you have access to?

## Self-reflection

What are the factors that influence your decisions? Consider your own personal character. What do you know about yourself that might impact on your decision-making process?

- What are your values? What are your organisation's values? Do they differ? Are your personal principles and the organisation's rules aligned?
- What are your red-lines?
- Are you making the decision by assessing the business/commercial implications only/primarily? Ensure you have reflected on the ethical considerations also. *(Like all businesses, bank staff are frequently required to make commercial decisions which will not always be popular, the challenge is to ensure that these decisions are taken fairly and transparently, with appropriate consideration of their impacts).*
- Is there a prior history or personal experience that could be influencing your decision?
- Do you have a conflict of interest?
- Are you in the best frame of mind to make this decision: are you tired, hungry, ill, worried, anxious, or stressed? (see page 9 for more details on hot state decision making).
- What is your gut telling you?

- What is your hierarchy of loyalties?
- What are you usually most guided by, Mercy or Justice?
- How would you like to be remembered?



Hierarchy of loyalties – Where do your loyalties sit and in what order e.g. is it 'family first' for you? Would your organisation's values be above your own? Or vice versa? Is your career more important than your relationships? Or vice versa?

Are you more inclined to show leniency, compassion, and forgiveness (mercy) or to want fairness and for people to get what they deserve (justice)?

## Unconscious Bias - what lies beneath the surface?

- We all have personal biases. What might your unconscious biases be and how could you identify them?
- Are you aware of your own preconceived ideas, beliefs and assumptions which could impact this decision?
- If this situation were about you, would you be happy with this decision/ the outcome?
- Are you allowing your own circumstances to impact your choice?

Having considered these questions and understood the biases and influences at play, you will be better placed to make a balanced decision.

## THE MIRROR TEST

Envisage you are looking into a mirror:

- Consider how you would explain your decision to your sibling/ your mother?
- Is this different to how you would explain it to a regulator or a journalist?
- Visualise the front page of a newspaper in relation to this outcome - does this impact your decision?

## Group dynamics

- Are you making this decision to fit in?
- Are you making this choice to avoid conflict?
- Is your decision being influenced based on the expectations of your peers/ line manager?



There is a well-known psychology experiment conducted by Solomon Asch that demonstrates the extraordinary power of peer pressure. A common interpretation of the results of the Asch experiment is that they illustrate that subjects can know the 'right' answer but conform with the majority group simply because they don't want to seem out of step or not going along with the rest. **Asch Experiment**. Take 5 minutes to watch this experiment – it's old but good!

There are a number of schools of ethics, the three primary schools are briefly:

**Consequentialism:** Ethics are framed as 'what will be the consequences' of my decision/action?

**Utilitarianism:** This theory is linked to Consequentialism but also considers the impact on the 'greater good', it is also sometimes referred to as the 'greatest good for the greatest number' standard – e.g. my decision may negatively impact some but my decision is informed by the over-riding view that it will be positive for most people.

**Deontological:** Deontological (duty-based) ethics are concerned with what people do, not with the consequences of their actions i.e. Do the right thing. (Do it because it's the right thing to do).

Further information on these schools of ethics is included in the supplementary guidance developed to support this booklet. Please contact us at [info@ibcb.ie](mailto:info@ibcb.ie) if you would like a copy of this material.

# DECIDE Decision

Decision



SUPPORTS - what supports do you have access to?



## Make your decision

- Decide on your course of action - be prepared to deal with opposing arguments.
- Make your decision based on the information you have to hand and plan for its implementation.
- Be honest with yourself and acknowledge that you don't know what you don't know! You are making this decision at a point in time. In due course, more information might come to light. Consider do you need to document the facts and information you have at this point in time which has led to your decision and why you are happy to stand over it?
- Communicate your decision - include your rationale and how you arrived at the decision so it can be understood by others. Be transparent about your decision.

Consider discussing with your team if any elements of the decision should be documented. As part of this process consider also how you would document where there are exceptions to the use of the framework.

Don't underestimate the importance of communications, in particular if the decision is an exception to the prevailing rules/guidance/values. Focus on explaining why an exception is appropriate and whether a change to the prevailing rules/guidance/values is required as a result. Consider the question: Is the rule wrong, or is it just inconvenient?

# DECIDE Evaluate

## Evaluate

Follow-Up

Lessons Learned

SUPPORTS - what supports do you have access to?

Following the decision, take the time to reflect on it and identify any lessons learned.

### Follow-up

- Follow-up to ensure the decision has landed/embedded as was envisaged.
- Seek feedback from those impacted by the decision
  - » Consider when to do this in order to ensure the feedback reflects the impact.

In relation to customer impacting decisions, useful data points will likely include NPS data, customer feedback and complaints, decisions of the FSPO, results of regulatory inspections etc.

### Lessons learned

- What have you/your team/your organisation learned from the decision, the process, and the outcome?
  - » What, if anything, would you do differently with the benefit of hindsight?
- Consider how best to share those learnings.



To help with embedding **DECIDE**, Senior management should consider how key decisions they have made align with the **DECIDE** Framework and the organisation's values and communicate this internally to demonstrate that the framework is being used in practice.

# Supports

## SUPPORTS - what supports do you have access to?

### *'A problem shared is a problem halved'*

- Reflect on what supports are available to you to help with this decision. It may be appropriate to seek counsel from other people with knowledge and expertise in relevant areas or whose opinion you value. You might have 'blind spots' in terms of your decision and these can be circumvented by discussing this dilemma with someone else – particularly someone who is very different to you! Seek out the views of those who are likely to have different perspectives. Should you seek the input of others to challenge your decision? Are there any issues relating to confidentiality?
  - Who can you reach out to as a 'sounding board' or mentor? Where does their moral compass sit? Is this person detached or have they a vested outcome in the decision? Have they been through something similar before? Can they bring a different view or insight?
  - A lack of diversity of thought increases the risk of poor decision making. Challenge yourself to incorporate diversity and inclusion considerations in your decision-making process as relevant.
- What resources does your organisation have available to support you in this decision?
  - Have you refrained from seeking guidance or advice from others out of fear of appearing less competent?



**Possible resources:** Intranet site, Support/Helplines, Line Manager, Mentors, Coaches, In-House Counsel, Compliance Officer.

**Speaking Up:** An effective ethical decision-making framework must be supported by an effective and transparent approach to Speaking Up. All staff must feel encouraged, supported, and protected to report instances where they consider behaviour and/or decisions are contrary to stated values and ethics. Staff must feel they have 'psychological safety' to speak up and report poor behaviour and decisions.

## Remote Working – factors to consider in decision making:

- Is your decision impacted because of the physical absence of your team/colleagues?
- The loss of social cues – would your colleagues / team normally serve as a moral compass/ sounding board?
- How can you overcome situations where you are exposed to fewer dissenting opinions? While working at home/remotely, how can you take on board contrarian views?
- Have you considered the impact of other challenges associated with remote working such as confidentiality etc.?



While not specifically linked to the decision-making process, remote working can elevate certain concerns which could ultimately impact the security and confidentiality of your decision. Questions to consider include:

### 1) Using the Internet from Remote Locations:

Is your internet connection secure? Are you using VPN/Firewalls as per your organisation's guidelines?

### 2) Understanding the Risks of Videoconferencing:

Is your home office a private space or is it frequented by other family members or visitors? Are you using earphones? Is your screen facing a window? Are you using a privacy screen?

### 3) Preserving Confidentiality in documents:

Where are you keeping your printed, and online documents? Are you saving your files in a secure folder?

### 4) Preserving Confidentiality within your household:

Is there anybody listening to your video call?





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