



FEDERAL RESERVE BANK *of* NEW YORK

The New York Fed's Work on Financial Institution Culture

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Agenda

- Why organizational culture matters
- The nature of the culture problem
- The New York Fed's culture initiative

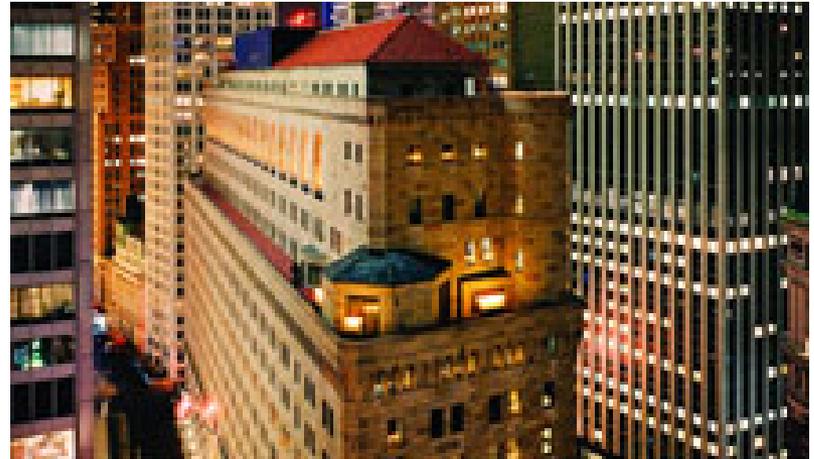


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Why Organizational Culture Matters

- Financial system needs to promote the well-being of the real economy.
- We want the financial system to operate in a way that is safe, fair and transparent.
- Misconduct causes harm that can impede our ability to achieve our mission.

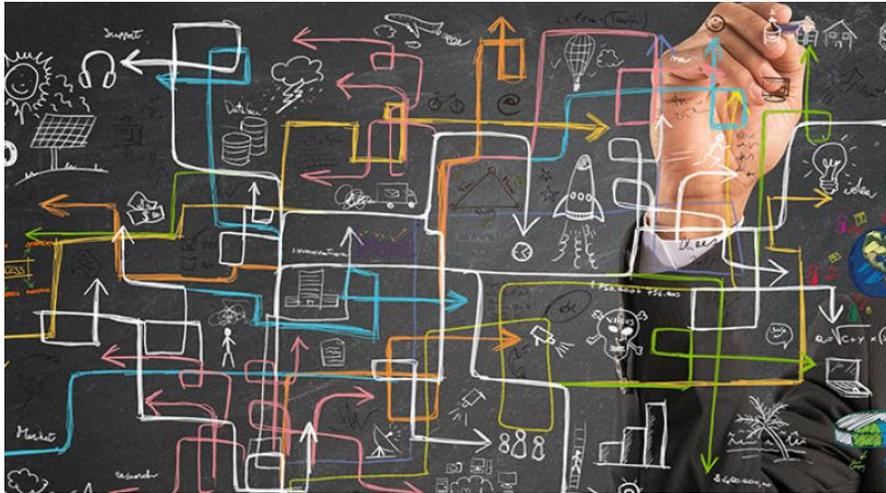


The Nature of the Culture Problem



- An issue that institutions themselves need to solve.
- Rules and enforcement set the legal boundaries of behavior.
- But regulators cannot prescribe one model of organizational culture that will stop firms from crossing those boundaries.

The Nature of the Culture Problem



- Individuals need to exercise ethical judgment when interpreting the rules that apply to them – “filling in the gaps.”
- Culture is a “complex” issue that demands multiple tools and approaches, and a constantly evolving strategy.

The New York Fed's Culture Initiative

- ***Connect, convene, catalyze.***
- Culture conferences
- Roundtable for Governance Effectiveness
- Education and Industry Forum on Financial Services Culture
- Industry best practices and codes



Questions?