



Who is managing your Trust Risk?

The financial services industry has taken numerous steps to rebuild the trust which was shattered during the financial crisis. Over a decade later, do the current control structures deliver the high levels of enduring trust that are now expected? Or is it time to redesign the approach to managing organisational trust?

With societal expectation of business becoming an ever more powerful force, long-term success is reliant on balancing the interests of a much wider spectrum of stakeholders than just shareholders. Customers, employees, communities, regulators, and governments – all must be factored into strategic decision making today – and retaining high levels of trust with each of these is key to be able to execute smoothly.



Customers

Do they trust you to deliver the right services and products at the right price?



Employees

Do they trust you to treat them respectfully and foster an inclusive culture that enables them to reach their full potential?



Communities

Are you trusted to act in the best interest of the communities your activities touch, and to work in partnership to improve them?



Regulators

Do they trust you to comply with the spirit of the rules and promote the regulatory system, rather than using it to seek competitive and financial gain?



Governments

Do they trust you to help contribute to the greater good of society as a whole?

Many organisations must now think much more carefully about how they engage with these groups, as the risk of not getting this stakeholder balance right – **the Trust Risk – is huge.**



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Who is your Chief Trust Officer?

So, who is responsible for creating and maintaining high levels of trust with these stakeholders at ExCo? Is it an individual or a collection of individuals? At first glance, these four key functional leaders are potential candidates, and already cover elements of the brief..

Chief Risk Officer – over the last decade there has been a definitive shift towards non-financial risk, creating a much broader and more prominent role. Is it a natural evolution to include Trust Risk within the CRO's ambit?

General Counsel/Company Secretary – traditionally seen as the conscience of the organisation and a highly trusted bridge between Board and Executive. Could this remit be extended into a convening role ensuring all elements of Trust Risk are considered in ExCo and Board decision making?

Chief Compliance Officer – Conduct is a core element of Trust Risk that has, in many organisations, elevated the CCO to ExCo. Already closely aligned to this agenda, but is the role close enough to the strategic decision making to have sufficient influence?

Chief HR Officer – A key guardian of the culture with a critical role in ensuring a level playing field for talent and leading on key Trust Risk topics including D&I and Remuneration. The HR remit is rarely combined with others, but could it take on more Trust Risk responsibility?

There are others who lead elements of this agenda, such as Head of Government/Public Affairs and Chief Communications Officer. And, of course, there is the CEO who is surely the ultimate Chief Trust Officer, and whose success will be dependent on how well trust is maintained.

However, for the most complex organisations and in times of crisis, is there now a need for a standalone Chief Trust Officer in a convening role across the business?

Either way, how does a company approach the management of its Trust risk and, to that end, how does it measure it?

Then there is the role of the Board...

What next?

In seeking to answer these questions, we are exploring this emerging issue with clients. We would welcome your thoughts and comments and look forward to returning with our findings.

Making Functional Leadership TRANSFORMATIONAL

Hedley May is a global executive search boutique, operating out of our two hubs, London and New York. We are dedicated to finding outstanding leaders for the critical corporate functions that underpin the success of your organization.

We have deep specialist knowledge of the following five corporate functions, appointing these leaders and their direct reports for over two decades:

- Finance
- Risk
- Legal
- Compliance
- Human Resources

We find senior leaders with the balance of technical experience and commercial skills that the mainstream candidate population rarely produces. No two appointments face the same set of challenges. We collaborate creatively to configure your role into the proposition that will attract the exceptional candidates. This takes deep market knowledge, a tailored and thoughtful process and the courage to keep challenging both you and ourselves. Nowhere is this more true than in Hedley May's commitment to Diversity and Inclusion, seeking out leaders who can influence change today and will drive transformation in the future.



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Harry has advised financial institutions, major corporates and global regulators on the appointment of senior Legal, Compliance, Risk, Governance and Regulatory leaders for close to a decade.

He is an expert in how these complex and interrelated control functions protect and strengthen the most successful organizations. Harry has become a thought leader on the constant evolution of these roles and challenges they will face in the future.

Harry is committed to Learning & Development at Hedley May, leading numerous internal initiatives and ensuring the accumulation of market knowledge and strategic insight is a mission for which we each share responsibility.

Prior to joining Hedley May, Harry was a corporate banker at Barclays. He holds a BA in History from Newcastle University.