

## START OF TRANSCRIPT

Jonathan Davidson: Good morning everybody. My name is Jonathan Davidson. I'm the executive director of retail supervision at the FCA. Welcome everybody who's joining for our webinar about leadership of healthy cultures in a post-COVID world. I'll start out by talking a tiny bit about why I'm here.

The reason I'm here is that I came to regulation just five years ago. I think today is my fifth anniversary of joining the FCA. Before that, I was in the commercial world in financial services. Why I came was because I felt that actually if we could transform the cultures, make healthy cultures in financial services, then what we would be able to do was, in a sense, work ourselves out of a job.

I've been on this journey for the last five years. First of all to try and work out what does a healthy culture actually look like. Second how can we, as leaders - all of us are leaders - everybody at some point is a leader. How can we create that healthy culture and make it sustainable? That's why I'm here.

Why I'm here today is that I really think that along that journey, we've made some progress on defining what a healthy culture looks like. It's not us defining it. In a way, we crowd-sourced it from all of you. What comes through when people talk about when they feel it's a healthy culture, is that it's purposeful. It's a culture where people feel when they come to work there is meaning to it. They're doing something worthwhile.

The second thing that we've learnt through this initiative is that healthy culture is one where it's safe. It's safe in particular to speak up. But actually probably more than that, the really healthy cultures are the ones where it's not so much a speak up culture, as a listen up culture. Everybody's listening to one and other because they see that diversity of perspective is really valuable. They want to hear what people with different perspectives involves. Another way of saying it is that we actually think a

healthy culture is one that's diverse and inclusive. It's safe, it's a listening up culture.

How that's delivered, apart from making sure that the purpose goes through the organisation like a stick of rock, the message through a stick of rock, it's about having effective leadership, primarily. It's about having effective processes, what we call governance in the FCA, and maybe if you're working in compliance, but actually it's just decision-making and behaviour where it's running on the tram rails, as it were. In the hopes that once you're off the tram rails, you'll still follow the same purpose and behaviour.

Then it's about having really effective people policies that really reinforce, if you like, the sense of purpose, what's right, what's wrong, and the values. Those people policies could be obvious things like remuneration. They can also be things like - subtle things like how people are - their capabilities are built. What capabilities are built, and what kinds of things are used for promotion. What kind of projects, who are the people who get the opportunities to do projects? Effective people policies all reinforce that.

Why now with COVID? I think we got, in a sense, to that definition. One of the things I've really heard from talking to a number of CEOs over the last few weeks - in fact, I've been talking to them throughout - is that everyone has realised that its purpose is not just something that's a whim or not of the CEO. It's actually something really powerful. CEOs have talked to me about how they're able to trust their employees, knowing that they all have the same purpose to do the right thing. Indeed, things have got done which could never have been done right if they're trying to develop solutions to local problems in head office.

I've heard people have said that has led to higher levels of engagement. Leaders have actually started thinking about - one leader went from - didn't really get culture, to suddenly thinking I'm

talking to all my people now. I'm getting feedback. I'm doing webinars with people. The visibility of CEOs and other leaders has strikingly improved.

Not only has, if you like, the purpose of the organisation which is in a sense of people have talked about supporting customers. They've also talked about it being about supporting people internally. It's been authentic. It's been pervasive. It really seems to have worked. The question now is where do we go from here? That's what this webinar's going to be all about.

I'm joined by three panellists who've got some amazing experiences, expertise and insight to share. I'm going to ask them now to each introduce themselves, to tell you in a sense why they're here.

If I turn to Natalie first. Why don't you introduce yourself please, Natalie?

Natalie Wharton: Thank you Jonathan. Welcome everyone. I'm delighted to join you Jonathan, Kiran and Brian today for this enquiring conversation.

I'm Natalie Wharton. I'm the founder and CEO of Wharton Business Consulting. Previously the head of culture change for a big four consultancy. Actually I've 20 years' experience of organisational change across financial services. Working with the likes of Barclays, Lloyds Banking Group, HSBC, Credit Suisse and [ICC Bank], Standard Bank. More recently I was awarded the Business Culture Award for leadership, and part of the Goldman Sachs Small Businesses Programme.

At Wharton, we are really passionate about maximising business potential through people and culture. I'm here today because I really feel passionate about driving change in financial services, both through behavioural change, through leadership, and also through organisation design and health. What we've been doing most recently during this pandemic is helping business on three things. Helping them establish new ways of working. Helping

them think about how they realign their workforce structures, whether that be cost reduction or actually platform for growth. Thirdly it was around helping to engage and lead their teams through the current climate, and accelerated transformation.

Jonathan Davidson: Excellent. Thank you so much, Natalie. So [inaudible].

Brian Marien: Yes, happy to, happy to. Good morning everybody. I'm Brian Marien. I'm a Doctor of Medicine, but I'm also a health psychologist. I'm also director of Positive Group. In terms of purpose that Jonathan was talking about a moment ago, our purpose is around psychological education, and psychological health.

What's interesting is for me is my trajectory in life has been through obviously school, university, and medical school. Very little in the way of education around emotions, other than in psychiatry where we look at chronic enduring mental illness. I became increasingly aware as a junior doctor, and as a senior doctor of the importance of psychological health.

The data now is overwhelming from neuroscience, from immunology, the impact of your psychological health on your physical health, your wellbeing, and your longevity. Also in the business world, I think it has a huge impact on your cognitive function. Your concentration, your memory, your decision-making. It also impacts on how we behave, how we relate to our fellow man and woman.

I think psychological health was moving up the business agenda anyway. If you look at the data pre-COVID, pre-COVID, we had one in six of the working population fulfil the diagnostic criteria for a common psychological problem. Post-COVID, we're up to one in three. This is data from the Office for National Statistics, and from UCL. We have 33% of our population at the moment with a level of anxiety and/or depression.

What's particularly concerning, I think, about that is that there are specific groups that are very high risk. Young people are a really

high risk group. I think we need to be active there. There are also other groups like Black, Asian, and Minority Ethnic Groups, single mums, people with children. People who are worrying, because people have different experiences of COVID.

I suppose the big message is that psychological wellbeing has an impact on cognitive function, physical health and behaviour. Our goal is to help people understand human nature. What nourishes the human spirit, and what can deplete it. The good news now is we can improve it. We can also measure it, and then remeasure it to demonstrate improvement after interventions.

I think it also links to quality of life, to people's health. Also to the bottom line. Performance, productivity and profitability. I think that's why it's moving up the business agenda, but it's a key feature for what Jonathan was touching on around culture.

Jonathan Davidson: Very good. Thank you, Brian. Finally Kiran.

Kiran Trehan: Thank you. Good morning everybody. It's a real delight and a pleasure to be here. I'm Kiran Trehan, and I'm pro-vice chancellor at the University of York, and professor of leadership for the Enterprise Development.

What brought me here is leadership is an area that I have been passionately researching. I'm an applied researcher, research that makes a difference on the ground. I've been fascinated over the COVID, the Black Lives Matter, the equality and diversity. About this whole debate about culture and leadership. What is it about responsible leaders, or inclusive leadership? I'm struck by our good intentions, but some of the bad outcomes that we end up with. A commitment and a passion, just in the way that Natalie, Brian and Jonathan have been talking about, to make a difference.

I'm almost struck when colleagues say to me will you do a session on responsible leaders. I'm both curious and perplexed in equal measures because did we wake up one morning thinking we are going to develop irresponsible leaders? I'm really interested in the interplay, building on what Brian's just said, around the role that

emotions and power plays. I think COVID-19 has shown us that leadership isn't simply about diversity or inclusivity. It's also about thinking of leadership in unusual places. We also need to talk about the mundaneness of leadership, as well some of those kind of [unclear] points.

I've done an awful lot of work in the context of working with a range of businesses in the financial sector, as well as small firms and public services. I think there is something about learning from the collectivism within that.

I guess I'm here because it's a subject that's close to my heart, but both as a leader, I want to understand how we learn about leadership in action, rather than leadership after the event.

Jonathan Davidson: Excellent, thank you. This is going to be a great discussion. What we're going to do is we're going to work through three questions. What does effective leadership look like? How has it worked during the COVID crisis? I can't help reflecting we're not quite through it yet. What has effective leadership - what effective leadership models have we worked through? We'll talk a bit about that.

Then we'll transition to are we into a new normal? Is those characteristics of good leadership that leads to healthy cultures, are they - is it a case of actually what's happened it's been change, but not transformation? Has the caterpillar turned into the butterfly irreversibly? Have we just got dogs up on their hind legs walking for a while, and they'll drop back on to all fours when we're done? That's our second question of what might it look like? How can we make this a transformation event, so we look back on it and say this was a turning point?

Then we'll turn to the practical question, which I'm sure is interesting. Everyone always says here well, that's all fine but what can I do right now? We'll pick up on that question.

Let's start with this very first - by all means, any questions you've got or comments, just send them in. We'll pick them up as we go, but also when we've got to the end of those three basic topics.

Natalie, you were talking earlier about the number of people you've talked to, anecdotes, and stuff that you've picked up along the way. What do you think about effective leadership during this? What has it looked like during the crisis so far?

Natalie Wharton: Thank you Jonathan. I think it's important to actually look at the crisis, that prolonged crisis. The different stages, and the different characteristics of leadership that have been most effective during those times. Looking very firstly at the onset of lockdown, and that real need for decisiveness, sense making and direction from our leaders. Albeit there were some organisations that actually gave people choice at that point, even up till the week before lockdown. Many organisations had split operations. They were very clear on the rotation of how people were working at that point. Also there were some organisations that were already working remotely, such as Coutts and others, that had already foreseen what was ahead, and the importance to keep their people safe and working in that way.

As we moved into actually during lockdown. There were three things for me that we saw leadership really dialled up during this time. That connectiveness and social side. You saw so many CEOs - great examples of ask me anything questions in their town halls. Having an open mic, lots of anonymous questions. We saw that in lots of organisations. Lloyds Bank, many I can name, during that time.

Also on the social side, we saw great leaders getting involved in those town halls, singalong events, talent shows and quizzes as it were for [SFCS and] OakNorth, some great examples of their leaders being involved in those.

Secondly, the piece around empathy, empathy in all elements. I'm sure my panellists will all talk to many of those. One around job

security, that safety element. We saw many banks coming out and very much saying that people's jobs were safe during the crisis, and they would look after their people.

Secondly to that, the focus on wellbeing organisations. When I talked to CLS Group for example, their wellbeing pledges. There were many organisations that provided fruit baskets to people that were working in branches, or in the offices for example. As well as those that were focused on customers. So Admirals, the give back to customers that they did during that time. Indeed donating to the causes, to the rescue and response to COVID, such as Santander's [unclear] of their leadership. Half of their salaries were donated to that. Great examples of empathy in that stage, in that security, as well as being dynamic and adaptable.

We saw credit card companies that moved people from underutilised areas of the business to over utilised. As well as a fast response by many of the banks to provide all those products. Bounce-back loans, BBLs, and changes in mortgages. During the crisis and that initial lockdown, there was a lot of that empathy for social connectiveness, and adaptability.

Obviously then we had Black Lives Matter which really saw our leaderships having to dial up their purposefulness, their empathy again. They're being really human and authentic about that, and dignity. I love the piece of work that Donna Hicks and [Panti] Morgan were involved in a panel. They were talking about making sure that we keep accountable for this, and it's not just platitudes. It's words that have meaning and action out of the back of this. It should continue, but linked to our purpose.

Most importantly now is not tiring of that. Now we are in the economic recession. We have fears of an increase in COVID but also, we've got returns. People going back to school, office. That needs to really dial up empathy, and really understand what everyone's going through. I love the example of [unclear] their CEO there. She does walk and talk with many of her team. Not

on a work basis, but to really understand what's going on for them. I think it's really important that that checking on our teams, and dialling into the empathy is still strong now, and we continue.

Jonathan Davidson: Yes. That's excellent. Kiran, what do you see as effective leadership?

Kiran Trehan: I think, for me, post-COVID, effective leadership has to be about collectivism, about collaboration and collegiality. I call it my three Cs. Natalie has pointed out some really interesting - both in terms of statistics and the lived example of that. I think it would be too easy for us to go back to the not so new normal. Let me take one example of that.

We talk a lot about prior to COVID-19, about ethical leadership, about purposeful leadership. Those were really - and also about equality, inclusion and diversity. I think what COVID-19 has brought to the forefront, and shed a really important light on, that actually equality isn't simply about inclusivity. Inclusive leaders, it's not simply about gender, ethnicity, or LGBT representation. Or even about recruiting and retaining the right kinds of people.

I think we've got a moment in time opportunity to think about leadership in very different and informed ways. The most important part of leadership for me now as we move forward, is the emotionality of leadership. We don't talk about emotions in leadership. We talk about emotion intelligence as a rational activity. I think leadership has shown us about the value and the importance of emotions.

I think I would make a case and an argument for moving away from the rhetoric of what inclusive and responsible leadership should look like. Also a move away from thinking about culture as changing systems and processes, not through isolated or episodic initiatives, but much more to collective institutional action. The one thing we have learnt is it's through collectivism and collective leadership that we've seen the kind of transformation that you've been talking about, Jonathan.

We need to seriously think about what a value-based culture looks like, and the actions and activities that would underpin that.

Jonathan Davidson: So interesting. It's the shift from the leader, not just as the command and control as you and Natalie - it's not the superhuman person, commands and control, all singing, all powerful. Actually, it's about humanity, empathy, emotion, all of those things that make us human, or humane perhaps is the even better description.

Brian, what's your take on this thought of is this a new form of leadership?

Brian Marien: I think it is. I completely concur with Kiran's points. This is key. I think leadership actually now has a priority to understand people, understand human nature, understand themselves. I think self-awareness is key. The ability to understand how people feel, but also the diversity of experience. Not only the diversity of experience, the response to the same experience, because we have differential susceptibility to these things.

I suppose I'd like to highlight again - I think this links to Kiran's point about being social animals. The agricultural revolution occurred about 12,000 years ago. We were hunter gatherers. The first city was only 8000 years ago. We now have in the UK 85% of our population living in cities. We're now much more lonely as human beings than we were when we lived in communities.

This has a really important message and metaphor for business. If you look at social connection, you look at the social psychology, and the social neuroscience of connection, I think this links to the collectivism and the collaboration that Kiran was talking about. It's good for individuals, but it's also good for business.

When we collaborate, when we connect, there is an amazing power. We have an extraordinary thing in our brain. Because we're social animals, we have a social Wi-Fi. We have an ability to couple brain to brain. We can pick up how other people are feeling. We need to be able to pick up whether people are

trustworthy or dodgy. Friendly or foe. That goes through the fastest neurocircuit in your brain. It goes mid brain to mid brain. Amygdala to amygdala. Being able to understand that dynamic I think is key.

Just to give you an example. We did some work with a big international law firm. We collected over 100,000 data points. One of the things that came out of that when we did a correlational study and a factor analysis, was if the leaders treated their team members, their employees, with respect, they were interested in them as a human being. That was one factor. The second factor was whether they were interested in their career development, their professional development, and they mentored them. The third thing was whether they could have honest, open, authentic conversations.

If those three factors were present, the people working in that bit of the business, who had leaders like that, had better psychological wellbeing. They experienced less stress, they worked harder. They had greater discretionary effort because of reciprocity and engagement. Actually, there was lower attrition. This makes huge business sense. I think Kiran's point about collectivism and collaboration - we've moved into an individualistic competitive materialistic world, but the things that actually nourish human being are good relationships. There's a wealth of data on social support and its impact on people's health. Organisations who can start to build supportive, collaborative, cohesive, collegiate groups are going to win the future.

Jonathan Davidson: That is terrific. I just want to say thank you. [Yuki] has sent in a question which I think is very relevant to what we're talking about. We're talking about feelings, and feelings having an important role in the workplace. Feelings including sense of meaning, but also worries. Yuki has asked how do leaders identify the worries staff have, and what they need to work on. How will leaders know when they're not picking up those worries and those feelings. How

have effective leaders gone about establishing that kind of social Wi-Fi during this crisis?

Brian Marien: Was that to me, Jonathan?

Jonathan Davidson: Yes, well, Kiran's about to come in, so you can think about it while we...

Kiran Trehan: Thank you. I think that's a superb question. If we were to do some analyses of the way that leadership has operated, and both Brian and Natalie have given some wonderful examples of what leaders have been doing. There lies our answer. There is something about a being self-reflective. I think we need to challenge the status quo. Challenge the cultures that we operated in prior to COVID. Look at what has worked, and worked so effectively during COVID.

We have picked up on the emotions. We have picked up on the anxiety. I think in terms of leadership and the way that cultures combine, it's about bringing emotionality back into the workplace, and looking at the way that we operate. When I talk about emotionality, people always think I'm talking about tears and I'm not. I'm talking about the way that humour gets used in organisations. I'm talking about the way that fear is either used or affects things in those sorts of ways.

There are three things that I would suggest in terms of a shift in organisational culture. One is to enable creativity. Secondly, it's to be innovative. Third there is something about what we might learn from being enterprising and entrepreneurial. I love this notion. The work that came out of diversity and inclusivity and particularly race, people often talk about creating safe spaces.

We only have to create safe spaces if we've created unsafe spaces. It's a paradox, isn't it? The safe spaces are created for the very people that don't need the safe spaces. I think there is a process of re-learning, re-educating, and creating more open cultures in the way that we've shown magically when we are under crisis that we can do. We haven't done that through command and

control. We've done that through collectiveness, collaboration and collegiality.

Jonathan Davidson: It's interesting, this openness thing. I personally sometimes - I will trust someone if I think they're open with me. To talk about how you feel takes a lot of trust, doesn't it. That you're not going to get judged, or even worse shot, for saying what you're feeling. I think there's something about openness being a two-way thing. Natalie, what do you think on this question?

Natalie Wharton: Thank you Jonathan. I'd just like to build on a couple of points that Kiran said there. First, just appreciating that during crisis, the channels that we had to speaking up have fundamentally changed. Those informal networks, those serendipitous encounters, the coffee machine chats, the chat that we have everywhere, has changed. Actually, a lot of those worries would raise through those channels. How have organisations recreated some of those in remote settings, and how do they think about them in the new purpose of the office.

Obviously, a lot of organisations would say that actually people have spoken up more. With the anonymous Q&A that you have in town halls, a lot of people's worries have been raised through the questions. When I talked to a lot of organisations, they're saying by the third town hall, people were comfortable to speak up. They knew it was anonymous. Every idea was heard, which was great. A lot of organisations said poll surveys and engagement surveys. The importance of the employee voice has been critical as well as those check-ins. Many organisations encouraging their leaders and their senior managers to really check in with their staff and spot those warning signs that someone might be struggling.

What I also hear on account of that, is a lot of leadership, actually it's a new skill for them. They're getting more and more involved in people's emotions and providing that emotional support, that they may not necessarily have been previously trained on and coached

on. Also it's about the leadership's resilience to those worries and knowing how best to channel them.

There are a lot more channels that are happening there. I think what's important now to Kiran's point, is us stopping and thinking. Across the hybrid settings, how are we going to recreate some of those channels that still won't exist in the new office, or are more difficult because you have people that are at home and the office. I'm sure Brian can touch on that from a psychological safety point of view too.

Jonathan Davidson: Listening to that, there's a lot of good things happening, despite the difficulties of working from home. We're talking about leadership as humanity, not as leaders are expected to be this omnipotent commander control. omniscient individual, whose every decision is entirely driven by some intellectual facts. They're inspired by purpose. They're listening to other people. They're emotionally available.

Turning to the future, I guess the question - this bring us on to the second topic which is some good things have happened. Are they irreversible? What about the challenges? [Ena], thank you for your - Ena sent in a question saying we look at the realities ahead for most financial institutions of compressed, revenues, cuts in the workforce are inevitable next year. How can leaders take this healthier culture, if you like, more connected, more collective, more collegial, more about equality and all of these things. How can they manage the growing anxiety of the workforce as we look towards depressed employment prospects post-COVID? Thank you, Ena, for that question. It introduces the next phase of the discussion really well.

Who'd like to go first? Brian, what do you think?

Brian Marien: I think one of the features that - there's actually quite a good meta-analysis looking at tolerance of uncertainty. Tolerance of uncertainty, some psychologists argue sits beneath most anxiety states. We're seeing quite a lot of anxiety for very

understandable reasons. Anxiety is defined as an anticipatory threat, whereas fear is the human response to an imminent threat. It's actually walking up towards you. I think COVID has both of those capacities.

Tolerance of uncertainty in leadership is a fascinating dynamic. Leaders who have better tolerance of uncertainty, actually have greater success in their business. I think one of the reasons for that is they message differently. What the leader is messaging has a huge impact. It's a concept of emotional contagion and emotional cascade. The stories we tell ourselves, if you look at cognitive psychology, the stories we tell ourselves can activate threat circuits. We can make ourselves frightened. Helping people understand techniques. I think should be taught in school, and we are actually working with over 30 schools now.

These are simple cognitive techniques that when we use them for people with anxiety or panic disorder, they work. We wait for people to get unwell before we teach them. I think we can move upstream and put these in the water. They're life skills.

Increasing people's tolerance about certainty, coming back to the concept of worry, one of the problems with worry is as soon as we start to feel anxious, we have spooky thoughts. That's what worry does to us. The spooky thoughts then make us more worried, more anxious. Getting more anxious makes us have more spooky thoughts. This is a process called cognitive emotional fusion, and you can get locked into it quite easily.

I think leadership can actually mitigate threat. If they tell a story saying yeah, this is tough. This is unusual, this extraordinary. We didn't expect it. Nobody did, but we are where we are. This concept of acceptance and then commitment. The commitment - non-acceptance is bad for us. Accepting that we are where we are and then thinking, okay, how are we going to work together as a group? I think this comes back to Kiran's collectivism and collaboration. How do we work together to get through this? Good

leadership has that process. It tells a story about hope, about the pathway, about agency. What we know is that good leadership mitigates threat.

Jonathan Davidson: An interesting point is that leadership has behaved differently is what I'm hearing so far during the crisis in many organisations, and authentically so. George, thank you. George has sent in this question. If culture is an outcome of herd behaviour, given that the herd, i.e. the leadership collective.

By the way, there was a comment earlier about are leaders just the CEOs or the executive committee. The answer is no. Leaders is anybody that anybody else looks up to. That is a lot of people. They may well be all over the organisation. In fact, they are all over the organisation. The impact of day-to-day managers, your line manager has more important leadership than the CEO to how you feel, and what you do. If the leadership collective, the people haven't changed, is it appropriate to really expect this culture change to continue? That's George's question. Thank you, George. It's a fantastic question. Are the leaders all going to revert to what we had before?

Kiran Trehan: I don't think - I spoke early on about a moment in time opportunity. We don't have a choice about reverting back to where we were because we're working in such uncertain times. I want to pick up on that question, George. I think it's a really important one. I want to build on two things that Brian and Natalie have said to try and address that.

The first point I want to make is the reason we can't go back is because leaders and leadership have shown it's not detached from the underlying emotional and political context. We've collectively had to work through that. The second point I want to make is what it's done is it's thrown up just in the way that you've highlighted, Jonathan, actually what is leadership? Leadership isn't defined by our role or our titles. It's defined by the actions and the activities.

COVID-19 has shown that some of the most informative innovation in leadership has come from followers.

The third one that I want to pick up, because I think it's such an important point that you made, Brian. I've been doing some research on the psychodynamics of leadership. Looking at how leaders become containers of all of this anxiety, which is neither helpful nor constructive within that kind of context. Brian, you talked about the importance of telling our story, and telling an authentic story. I think we have to move away from this model of leadership as if they are the containers, and they know everything, they know all of the solutions.

I took on my new pro-vice chancellor job, just at the beginning of lockdown, the second week we went into lockdown. I don't think a pro-vice chancellor's ever said this, but I did say this. I said do you know, I am really scared about taking on this leadership role. It's new. Everybody said afterwards gosh, that was really brave. I remember thinking what was brave about it? I'm saying the way that I want to work, you build trust by telling other people how you're feeling. I don't have all of the answers. I know together we will find the answers and we'll experiment. If you look at a business like Amazon, for instance. They learn as much from their failure as they do from their success.

The future of leadership has to embed processes of experimenting. Taking informed risks and looking for leadership in the unusual places not in - let's not hold our leaders up as if they are the fonts of all knowledge, and they have all of the answers. We have to take responsibility of helping shape future culture. Culture isn't, for me, about assistance and processes. It's about people. People shape culture. Let's not lose this moment in time opportunity to make a difference, and a measurable difference.

Jonathan Davidson: It is interesting on this notion about can leaders change. It's one thing - leadership - some of these behaviours, if you like and people often don't do things - I find I don't do things that I'm not

very good at. It's much better, it's much more comfortable to be in your comfort zone than in your uncomfortable zone where you can't do it.

One of the things about COVID that I'm wondering is the extent to which leaders are practising new skills of being emotionally available, being empathetic. I won't list out all the excellent things that some of the effective leaders have been doing. It's practising actually embeds thing. Brian can talk about this, how this works in our brain. Once you actually do something, it starts to get hardwired into the brain as your natural reaction to anything.

Also, the difference between knowing any skill, like how to ski, which you can teach with a PowerPoint presentation in probably half an hour. Actually doing it, and doing it without hurting yourself - i.e. making it part of your new comfort zone - is just practice. I do think leaders are getting a good run about practice on this one.

Natalie you were going to come in on this point about how much hope is there that this new humane leadership style at every part of the organisation about all people not just the old, if you like, hierarchical model. How positive are you that we can deliver that in the future?

Natalie Wharton: I think there's a couple of things that are worth addressing here. Yes, there's been an evolution of leadership. We've seen much more lending themselves to being facilitators, coaches and as we're saying, the empathy and support of their teams. Also facilitating to get things done quickly. We've seen programmes that were two years in the running being turned around in two weeks. It had to be because of that burning platform. Leaders have had to really call on a lot of different characteristics to make that happen.

We've also seen some of our previous shining stars have no longer been the stars in this prolonged crisis. Have not shined as brightly. A lot of leaders I speak to say there's a lot of latent talents that has emerged through this. Will they be the leaders of

the future? I would say those skillsets are key, but the balance is needed. I really think there is that balance that will continue to be needed between situational leadership, and all of the skills that's needed.

We talk about in the fourth industrial revolution where you go from IQ to EQ, and now AQ. Adaptability, and how important that is, and the balance of that that is. Very much to Kiran and Brian's point about the need for collective leadership, and that continuous learning. I really agree that if leaders don't stop and think about what's been successful, not just them at the top leadership, all leadership down. What has been successful. What has enabled us to thrive through this, and how will we thrive in the future.

It is an existential threat. There's many reports - I know McKinsey have done one recently - around actually some are a Fortune 500, or are banking globally. There's a 40% threat that those organisations won't be around in the future unless they transform. The birth of one form is there. I think also the business case is there. It's helping them with the awareness. It's helping upskilling them at all levels, not just at the top.

Jonathan Davidson: I'd like to take as many questions as I can. Some of the questions are getting into this third topic. I think what we'll do is we'll transition to focus on the questions. We'll take as many as we can. The third topic was what are the practical things we can do. The questions that are coming in are focusing on that. Let's turn to some of them.

Thank you, [Alison] for this one. It says we're going to transition from a mostly remote working environment to a partial in office and partial remote workforce. How do leaders at all levels ensure their engagement is seen to be even-handed with those different constituents? Thank you, Alison, for that question. Who'd like to take it? Brian, what do you think?

Brian Marien: I think this comes back to the fact that we are profoundly social animals. We are hugely nourished. Physically and at an

epigenetic level, we are nourished by good relationships. Bad relationships have a damaging effect, as does loneliness, as does social isolation.

I think social distancing is different for everybody. Working from home is different for everybody because we have different experiences. Whether we have family, whether we have children, whether we have elderly relatives who are unwell. It's very idiosyncratic, but I think we need to make a huge effort with remote learning for two big reasons.

One is that that work environment that is supportive, collective, is collaborative, cohesive, creates - is incredibly good for us. I think if we can then strive to make our remote workers feel as supportive and collaborative, we need to be innovative about that and think about how we do it. There are some very good techniques for doing that.

The other flipside to the remote working is that people find themselves in their home. Working at home has all sorts of issues and difficulties for some of us, not for everybody. I think it's about creating boundaries. It's about creating healthy self-interest. Looking after yourself. The danger is your working day can leech to other bits of your life. I think there's a fascinating area of research around what's called high rumination and low rumination. People who are high ruminators go home and worry. People who are at home thinking about work all day long, and they can't switch off, that can start to damage their relationships with their friends and their family.

We need to help people structure their days. Work out boundaries, but also develop a really healthy self-interest and create a cognitive boundary. If you're thinking about work, that activates exactly the same neural circuits in your brain as if you were at work. Being able to switch off your cognitive system is a really powerful technique.

Natalie Wharton: May I add to that...

Jonathan Davidson: That's very good. Natalie, you were going to add something. Please do.

Natalie Wharton: Thank you. Just on the two points that Brian said there. Firstly that latter point around looking after ourselves and giving guidance. I know a lot of organisations that have provided incredible employee support plans with coaching and training, and asked their people to sign up to them. I think it's really important, again to Brian's earlier point, that we recognise that some people may fear to sign up to them, particularly in the current situation. Actually they may not know until it's too late that they need this support. I think there is an element, a rounded element of that, of helping to flag and spot warning signs for people and what support they need.

On the broader question that was posed about engagement. I always look at this that it's really important for organisations to really re-think the purpose of the office going forward. What have you missed from working remotely? The majority have said it's communication, community, creativity and collaboration. How do you recreate that in the office rather than it just being the same activity from one to the next? I think that's really important. That will engage people to come back as well. The importance of creating an environment where people, as Brian and Kiran said earlier, about that need of social connection. That need of energy that actually creates and builds innovation, and how important that is. Also, in engagement, how important it is to be really open and transparent.

When I talk to some organisations, some of their people have been in quite a bubble, or been really well protected during this crisis. Actually, they have some difficult messages that they're going to have to land. As we all know, it's really important that that is a journey. That it isn't just an immediate shock, and you approach it in all the different channels of communication. Everyone has a different style and a different way that they're going to engage in this.

Kiran Trehan: Just a final...

Jonathan Davidson: What I'm hearing as - sorry Kiran.

Kiran Trehan: I just wanted to make one further point on the point that both Brian and Natalie raised. Jonathan you raised that earlier on. There's also this issue of trust. In the way we've been taking about diversity and inclusivity, I think we need to think about how the diversity of our workspace is, and the way we work is going to change. How we ensure that we continue to build trust.

If somebody had said six months ago that we would have trusted our employees to work from home, we would never have managed to get the major transformation that we have by everybody working from home. Not only working from home but probably, as you said Brian, working almost twice as hard in that way.

In building on the points of engagement and communication, let's not forget the role of trust, new work places, and the changing nature of work as part of those processes. Work will not look like what work looked like six months ago.

Jonathan Davidson: Yes. On this point, just to back up a tiny bit. On this point about if you're in the office or you're at home as I am. I am lucky I have a little study as you can see in the background. It's a good environment. Some people say I haven't got a good environment. It's very difficult for me to be at home, so I would like to go to the office. I think for the foreseeable future, until we have a vaccine or something else, the capacity of most offices is somewhere between 15% and 50% probably of what it was before.

The office isn't the place where you go to work anymore. The question is the office is the place you go to for what? I'm starting to hear answers. My young adult daughter. She's very excited. She went into the office yesterday for the first time in, I don't know, months and months and months. She was excited because she had agreed with her own team - it wasn't management. Let's all go in on the same day. Let's book it so that we can have some of those interactions.

I think people - all of our colleagues are starting - we're on this great experiment together to decide whether actually remote working is a way of life, as opposed to a consequence of a pandemic. I think there's this fantastic opportunity to work out what is the role of an office. It could be very different.

One thing that I've heard a lot about - just one last question. I've heard a lot about leaders supporting others. The spirit of protecting and helping people from a health point of view, from a wellbeing point of view, and so on.

Going back to the questions, [Kate] sent in a question which is how do we ensure the wellness of leaders themselves, so that they can continue to provide the ethical leadership, given all this anxiety. We've got hundreds of leaders on the thing. Just one piece of advice of how can you - who's going to come and support us as leaders, all of us on this call. What can we do for ourselves? I think that would be the last question, and then we'll go to a bit of a summary. So Brian?

Kiran Trehan: I think...

Jonathan Davidson: Sorry, Kiran, please.

Kiran Trehan: No, no. Please, Brian go ahead.

Jonathan Davidson: Go ahead.

Kiran Trehan: I would say two things. First of all, I think one concrete way would be to introduce a process of reverse mentoring. That would also address some of the questions about leaders and culture. Reverse mentoring is a process where colleagues throughout the organisation are mentoring leaders. Telling them what it feels like so that they get a better sense. That takes them away from being - this being able to [unclear]. Also, I think we ought to give some thought to - often, we ask our leaders to be the innovators, the change agents. Yet we also want them to be custodians of the status quo in that process. I think the process works in reverse

mentoring helps to transform the way we do things in a really thoughtful and meaningful way.

Jonathan Davidson: Okay. Brian, quick one sentence on a tip for a leader.

Brian Marien: It was what Kiran said about taking on her new role. I think the danger is leaders want to be perfect. They want to have all the answers. I think we need to express our ego fragility. The danger is that you actually want to express perfection, that you've got all the answers. That creates echo chambers. What we need to do is create collective intelligence. Leaders that connect with their people will run much better organisations.

Jonathan Davidson: Natalie, you get the final word on this one.

Natalie Wharton: I concur with both Brian's point there about collective intelligence, Kiran's about diversity of thought. Also about building your leadership bench strength. Really thinking about how do we build leadership throughout our organisation and invest in that.

Jonathan Davidson: Those are three great summaries of everything that we've heard today. First of all I want to say thank you to my panellists. You've been fantastic. My only disappointment is that I can't squeeze in another couple of hours, at least not on the screen.

Thank you for everybody who's put forward such fabulous questions. We haven't been able to tackle all of them, but I will share with the panellists. Even the questions themselves feed into this journey. I was about to say this intellectual journey we're on but it's not, it's an emotional and spiritual, if you like. A meaning journey that we're all on as leaders.

I think my big takeaway from this is that we're talking about leadership as humanity, not this sense of perfection and humanity in terms of maybe it's just emotional and spiritual intelligence of knowing yourself. Being available to yourself, to other people, and listening to yourself. Listening to that voice in your head and say why is that voice saying that. Listening to the voices of other

people so that you're dealing with whispers before they turn into screams.

I finally want to thank my team who - [Olivia and Sophie] - who make all of this happen. They provide all the intellectual and thought leadership. I get to be the not so great face of the FCA on one of these. I would like to thank them, and Scott, who's managed this technology miracle for us today.

Thank you all, everybody you're seeing. I say thank you in advance - I often say this in meetings - for what you're going to go out and do as leaders. To work me out of a job in the industry. Thank you very much.

Final question please do - in the spirit of continual improvement, there is a post-webinar survey that I'd love you all to fill out. Be as brutal as you like because - just telling us we did a great job - tell us how we could do it better next time, then we can get better and better at all these things. Thank you very much. Have a good day.

**END OF TRANSCRIPT**