



Beyond Data Governance: Developing a Data Culture in Asia's Financial Institutions

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Whitepaper

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To create a truly competitive advantage and achieve their commercial goals, Asia's financial institutions need to integrate strong data culture into their data governance approaches.

Even as data governance and culture have become buzzwords in the financial services industry, banks have yet to put real dollars behind enhancing data culture in their organisations. Most banks are prioritising investments in digital transformation to fend off competition from fintech firms, or in systems to comply with more urgent regulatory requirements like IFRS 9 or MAS 610 in Singapore.

According to Irene Liu, Partner at PwC in Singapore, many small and medium sized banks have yet to set up a data governance office. Regulation in this direction would certainly help, she says, noting that countries in Southeast Asia that have the most mature data governance practices tend to be those with the most advanced local implementations of BCBS 239.

Developing an “authentic” data culture

“It is important to note, however, that firms must avoid a ‘one size fits all’ approach. What works in one organisation may not work in another. Firms must look to tailor their approach to their needs.”

- Irene Liu, Partner, PwC

Beyond having a structured data governance programme in place, creating a data-first culture environment and adhering to global best practices can form an important competitive advantage for these banks.

Liu says that in order to develop the best class data culture, the tone needs to be set from the very top in the form of clear KPIs, while the principles should be implemented from the bottom up. It is important to have firm-wide involvement across all levels, enforcing the message through townhalls and in employees' daily work.

Staff should be encouraged to speak up across the organisation on areas of the data lifecycle they deem worthy of improvement, in order to improve the overall quality and efficiency of the data management process. Some banks have also set up Culture and Ethics committees and embedded data culture within the remit of these committees, adds Liu.

“It is important to note, however, that firms must avoid a ‘one size fits all’ approach. What works in one organisation may not work in another. Firms must therefore be cautious about directly copying another firm’s approach,” she said.

Firms must take a sharp look at their culture and devise a data governance strategy that can fit seamlessly in their current approach to business such that the two are mutually reinforcing.

In pursuing a firm-focused approach to developing data culture, banks need to take a more holistic approach to data, building data behaviours that are “authentic” to the firm’s strategy and ways of working. According to PwC’s Katzenbach Center, it is important for firms to tap into their “latent cultural energy” in order to foster positive data habits and rituals.

In other words, firms must take a sharp look at their culture and devise a data governance strategy that can fit seamlessly into current business approaches. Firms must align their data strategy to their business strategy such that the two are mutually reinforcing.

Organisations that view data as an asset can deliver both commercial aspirations and compliance requirements in their data strategy.

How PwC has helped

PwC has significant experience in the data management and culture space, having helped all local banks in Singapore in complying with their BCBS 239 requirements. The firm helped one bank to establish an entirely new data governance division and supports another in spearheading the implementation of data quality rules in their data governance office.

Beyond Singapore, Liu is also actively working with other banks in Southeast Asia on similar initiatives as part of their digitisation initiatives, and in conversations with regulators to gather their views and insights. She has also organised roadshows and roundtables with banking associations, regulators and financial institutions so as to share latest developments, global industry practices and facilitate the sharing of challenges amongst peer banks.

PwC at the Regulation Asia Awards

PwC won the award for Outstanding Project for BCBS 239 Implementation and was highly commended in the Consulting Firm of the Year category in the inaugural Regulation Asia Awards for Excellence 2018. The firm has supported six out of seven D-SIBs in Singapore and more than half of the world's G-SIBs in meeting these requirements, setting itself apart from other consultants in this space.

PwC is the only external consultant in Singapore providing end to end support through the BCBS 239 compliance process, from strategy to execution. Through a well-defined 'capability model', the firm translates the BCBS 239 principles and their associated requirements into specific business capabilities and has devised an innovative approach to data linear that minimises maintenance efforts and reduces implementation and complexity costs.

Get in touch

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