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Toward a Perspective of Stakeholder Culture in the Financial System

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OVERVIEW

After more than a decade, the stakeholder dynamics that contributed to the Global Financial Crisis ("GFC") of 2008 continue to linger on—even in the face of growing complexity and more rapid change.

While views of what caused the GFC vary considerably, most gloss over the missed opportunity of stakeholder collaboration. Some fault firms for their laissez-faire management. Others focus on the personal greed of a 'few rotten apples.' Some others criticize regulators for their negligence toward the consumer. And others remain convinced that it was an impulsive and risk-oriented customer who nearly took the financial system down.

Each blaming a specific stakeholder group, none acknowledging the widespread lack of alignment across different actors, these various perspectives are the epitome of siloed relations in the financial system today.

Indeed, lack of collaborative behavior is one of the key challenges that organizations and systems face at present, particularly as we continue to manage the Covid-19 pandemic. After two years of continuous triaging, aligning people on mitigation tactics remains harder than achieving medical progress. To make matters worse, individuals often fail to cooperate not because of diverging goals but idiosyncratic beliefs—even when this failure implies high costs for all those involved.

With its many vulnerabilities, the financial system knows first-hand the negative consequences of uncoordinated or, worse, disorganized action. But, despite the threats to its resilience, it hasn't been able to self-correct. The system today presents an increasing number of stakeholders: actors and entities who contribute to it and expect to accrue benefits as parties who partake in it. These stakeholders, however, come to the table with baked-in beliefs, mindsets, and norms that reflect the limitations of the current culture. Thus, what they accomplish is often different from what they wish to achieve.

Yet, at a time of profound and unrelenting change, the inability to overcome old behavior patterns presents new risks. First, institutions continue to struggle to earn their customers' trust, which makes consumers increasingly vulnerable to untrustworthy sources. Second, stakeholders' inability to share information and learn from each other limits the overall system's responsiveness to new risks such as those posed by Artificial Intelligence and cryptocurrency.

Despite the many effects culture can have on stakeholder behavior, research on the beliefs and norms at the core of today's financial system is sparse. To address this gap, this report offers an in-depth analysis of stakeholders' perceptions, priorities, behaviors, and informal power structures.

Our research reveals a paradox: while disparate groups share similar mindsets about the industry, the financial system's current "belief map" may prevent actors from quickly adapting to new challenges. Trapped in a web of self-fulfilling prophecies, stakeholders keep engaging with each other with the same old scripts. Thus, beyond aspirations, the strong desire for new practices is overwhelmed by the status quo—a dynamic that can only be overcome through awareness and concerted action.

The following is a summary of our most important findings based on an analysis of interviews with subject matter experts, cultural artifacts, and consumer insights. For details about our research methodology, see page [12].

A CULTURAL VIEW OF STAKEHOLDER STATUS IN THE FINANCIAL SYSTEM TODAY

Who are the stakeholders in the financial system today? In the past, the "mighty investor" ranked at the top. But now, financial institutions are trying to rebuild trust with their customers, on the one hand, and defend their market position against startups and new competitors, on the other. As a result, the consumer has regained relevance.

The concept of stakeholder and the number of "stakes" in the industry that call for attention is rapidly evolving, forcing firms to address issues like social justice, diversity and inclusion, purpose, and others. Yet, despite growing expectations that these neglected areas be incorporated in institutions' planning, restructuring corporate priorities and relationships within the industry remains difficult due to the absence of a 'shared interest' mindset.

In addition to the fuzziness of the stakeholder concept, which has been variously defined over time (Bourne & Walker, 2005, Fassin, 2009, Freeman, 1984; Littau et al., 2010, Mainardes et al., 2011, McGrath & Whitty, 2017), the broad range of views we heard suggests that there is also a cultural tension at play. Actors with a more traditional perspective look at firms, customers, and regulators as the financial system's only legitimate stakeholders. But those with a more progressive outlook are eager to embrace a growing number of interests, including employees, communities, distributors, technology firms, advisors, emerging professionals, and others.

Notably, a progressive view of stakeholder status goes hand in hand with a bottom-up interpretation of stakeholder relationships. Among these respondents, the consumer and the public are the most important actors, which is why, as they noted, firms should be responsible for creating products and services that benefit them. In contrast, those who have a more traditional perspective of legitimate stakes use a top-down logic to interpret stakeholder relationships. Accordingly—it was noted—since financial institutions create wealth for the entire economy and all the other stakeholder groups, they are the system's most critical kernel.

Indeed, the difference between top-down and bottom-up views is not the only factor that explains how actors weigh stakes. Our research shows that each party brings different economic and moral intensity concerns into their evaluation process. These other considerations boil down to the type of economic focus and the role of moral intensity in actors' judgment and decision-making.

Thus, in evaluating economic implications, some are more focused on self-interest—what's in it for them or a particular group. Conversely, others are more tuned into the idea of shared interest—what's in it for the system.

With respect to moral intensity, actors' focus is somewhat binary. In particular, those who weigh stakes in terms of moral intensity are preoccupied with the personal consequences or harm that certain stakeholders may suffer when adverse events occur (Morris & McDonald, 1995). But those who don't weigh in moral intensity concerns focus first on the gains that are at hand, and then on the potential costs that individuals or groups may undergo.

Put together, these two criteria – the type of economic focus and the role of moral intensity – create four distinct approaches to evaluating the status of potential stakes in the financial system (see Table 1):

Deservingness

Actors who think in terms of self-interest and are not swayed by moral intensity implications will rank each stake based on its "deservingness." That is, they will tend to focus on how much economic gain the stake has to offer.

Equity

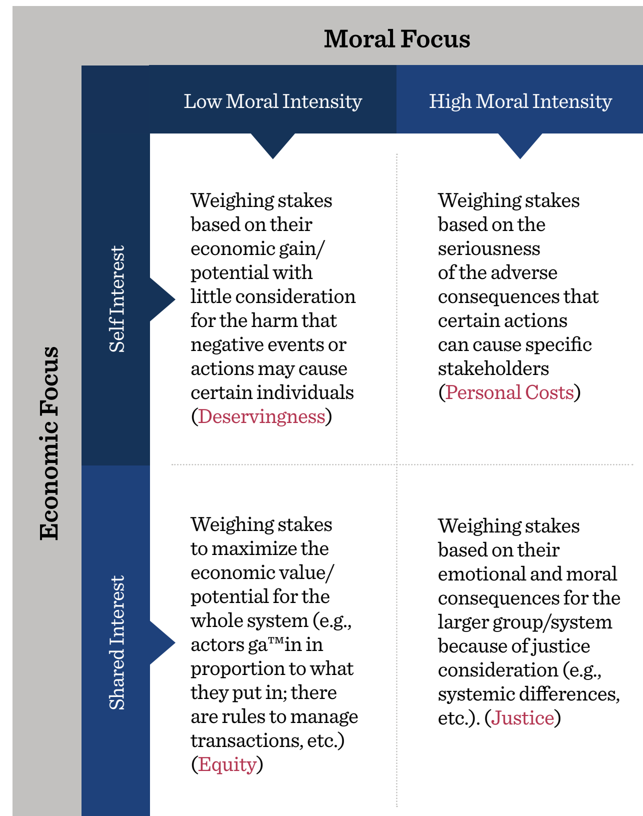
Actors who believe in shared interest but lack strong moral intensity concerns will be driven by the idea of "equity." They will primarily look at whether the stake contributes to exchanges in which all parties gain in a way commensurate to their contributions.

Personal Costs

Actors who hold moral intensity concerns and think in terms of the best interest of certain groups will value each stake based on the "personal costs" it may pose. For them, the potential harm that adverse or unwanted events can cause specific individuals (e.g., "the little guy," etc.) will be a central consideration.

Justice

Actors who think in terms of shared interest but are also concerned about the moral intensity of specific outcomes will rank stakes based on justice considerations. Thus, these actors will be more likely to consider whether the stake contributes to inequalities or systemic negative consequences.



Economic Focus	Low Moral Intensity	High Moral Intensity
Self Interest	Weighing stakes based on their economic gain/ potential with little consideration for the harm that negative events or actions may cause certain individuals (Deservingness)	Weighing stakes based on the seriousness of the adverse consequences that certain actions can cause specific stakeholders (Personal Costs)
Shared Interest	Weighing stakes to maximize the economic value/ potential for the whole system (e.g., actors ga™in in proportion to what they put in; there are rules to manage transactions, etc.) (Equity)	Weighing stakes based on their emotional and moral consequences for the larger group/system because of justice consideration (e.g., systemic differences, etc.). (Justice)

Table 1. Stakeholder Status Model: Views of which stakes are more important vary based on whether the focus has to do with moral versus economic concerns.

A final takeaway from the Stakeholder Status Model presented in this section is that there is not a single stakeholder map in the financial system today—a fitting truth that reflects how quickly the business environment is changing. Instead, the stakeholder landscape varies depending on who's looking at it. This is true both in terms of who's considered a legitimate stakeholder, and their relative position.

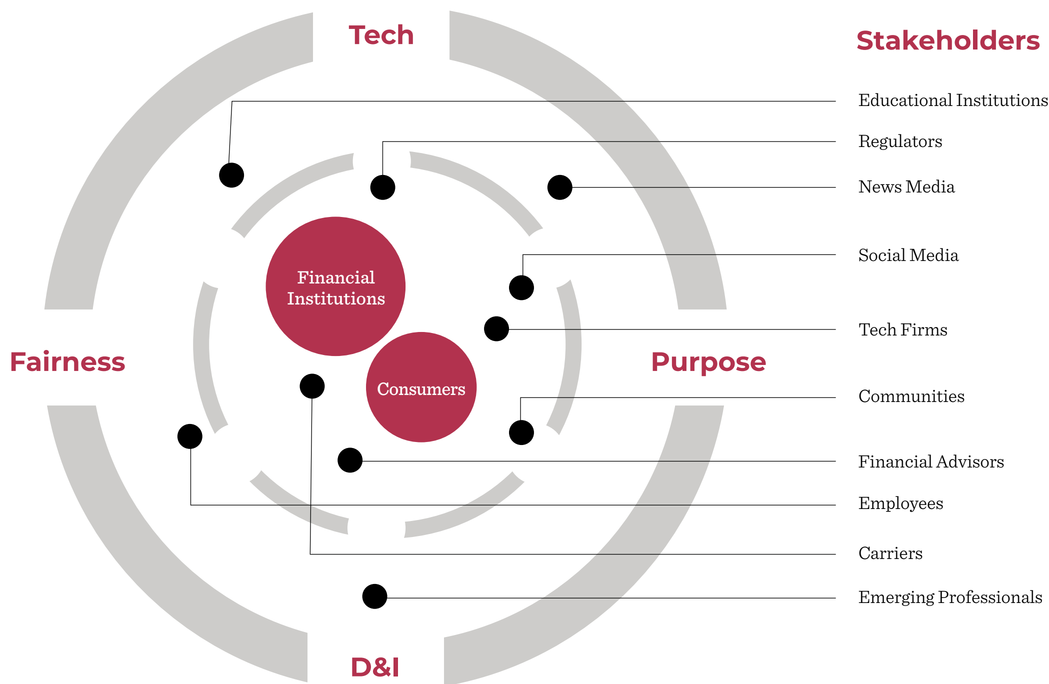


Figure 1. Financial System's Stakeholder Map

While firms and consumers remain two major and relatively stable stakeholder groups standing at the center of the system (see Figure 1), the next set of stakeholders and where they fall on the map is much more fluid. This is the case because, in addition to being influenced by their economic and moral views, actors prioritize stakes based on experiential considerations, including whom they trust and their specific needs. For example, social media may not be considered a legitimate stakeholder by some actors. Still, they may represent a critical group for consumers who rely on them to make financial decisions. Likewise, community banks may play a minor role in the eye of big investors but exercise a vital function for local communities. And so on.

PREDOMINANT BELIEFS AND MINDSETS IN THE FINANCIAL SYSTEM'S CULTURE

As Table 1 (the Stakeholder Status Model) demonstrates, disparate beliefs influence how actors weigh the importance of stakes. This is not surprising. Beliefs express ingrained convictions. They shape expectations, attitudes, values, the relative worth of outcomes, and behavioral norms. And when they are organized in a stable way, they create mindsets. For example, the belief that the financial system exists to produce wealth combined with the idea that creating wealth requires ample freedom can result in a highly individualistic mindset. This way of thinking, in turn, can make it more difficult for firms and other stakeholders to accept the actions of regulators or to hold each other accountable.

Our research suggests that the financial system's culture is characterized by deeply ingrained beliefs about the role of financial firms and how other stakeholders relate to them. These deep-seated perceptions underscore a predominantly competitive and individualistic mindset according to which all **actors (not just firms) are driven by the desire to enrich themselves and achieve a superior/improved status in relation to others.**

Unsurprisingly, a highly individualistic ethos is also associated with frail stakeholder relations. Thus, the fact that firms remain self-focused clarifies why they struggle to put themselves in the shoes of other stakeholders and earn their trust. Similarly, as self-interest remains a central motive within the industry, stakeholders find it hard to work together toward common goals.

Table 2 shows the specific beliefs that we found across all the study's participants. Two themes emerged: one coalescing around ideas of power, privilege, greed, antagonism, and competitiveness, the other around the notions of competence, independence, and interest.

These two sets of ideas infuse the cultural ethos of the financial system, not only reinforcing a negative view of firms, but also influencing how actors perceive the overall system, its purpose, and its most important outcomes. Ultimately, these implicit views constrain the impact of the financial services sector on society and how the various actors in and around the system can shape behaviors. For instance, they shed light on how regulators and firms perceive each other, which grounds each party in a mindset of narrow possibilities in terms of ethical conduct.

Finally, these deep-seated beliefs unveil a critical paradox: stakeholders are less concerned about the lack of collaboration that separates them and more preoccupied with the current power dynamics. Thus, firms feel powerful and, simultaneously, victimized by how other stakeholders view them. Consumers regret their lack of power, which they fault as the key reason why they have a smaller slice of the pie. And regulators feel ambivalent about playing cop since firms create wealth for the entire system, while the consumer remains vulnerable.

Predictably, these dynamics also create a self-fulfilling prophecy. That is, institutions continue to pursue self-interested financial behaviors, as other stakeholders expect them to do. This approach, in turn, leads consumers and the other actors to distrust them even more, further eroding the system's ability to find solutions to common challenges.

While the status quo is less than ideal, participants noted that it is difficult to envision a different way of doing business. Yet, it is precisely this failure of imagination that prevents progress. Since stakeholders are afraid of how change could affect the system's overall ability to grow, they are unwilling to take the steps necessary to instill change.

> Thus, firms feel powerful and, simultaneously, victimized by how other stakeholders view them.

Belief	What It Means
"Winner Takes It All."	People in general don't want equality. Instead, they want to win, be first, and end up on top. While there is an aspiration toward fairness, differences in status and resources help individuals fulfill their dreams, achieve what they value, and acquire a distinctive position.
"Financial Institutions Want to Smash the Table."	Financial firms don't want a seat at the table; they want to smash the table and shut the door. They view themselves as the stakeholder with the most power, the greatest needs, and the most rational entitlements.
"Financial Firms Are the Engine of the Country."	Financial institutions benefit not just individuals and other entities, but the whole country. They provide jobs, food, lifestyle, and the overall influence that the country can exercise on other economies and, even, globally. They sustain the American dream. Finally, they are the chief source of upward mobility. As such, they are the most important stakeholder group.
"Financial Firms Are Greedy and Self-Interested."	While financial firms feel victimized by other stakeholders who view them as fundamentally greedy, the consumer struggles to find examples of behavior by financial institutions that demonstrates a willingness to cut costs and do right by their customers.
"There Are No Shared Interests in the Capitalist Structure."	As all individuals are focused on maximizing their personal returns, there will always be abuse of sales practices within the industry unless these latter are appropriately regulated. Financial firms are incapable of self-regulating and curbing their obsession with making money. Though some institutions are doing a good job of focusing on ethical principles, newcomers, who are first and foremost concerned with winning a share of the market, if left unsupervised, may easily engage in abusive sales practices.
"Only Those Who Have Money Can Partake."	Though the industry is forward-looking when it comes to making money—"the wealth you can produce today is worth more than who you were in the past"—it is blind to the struggles of those who don't have resources and unconcerned with their lack of access.
"The Industry's World-View is White-Collared."	The financial industry suffers from a white-collar worldview. Executives in the industry are not incapable of seeing past profit, but it's difficult for them to understand the experiences of consumers who don't have the resources they have. For example, firms are unable to look at products through the lens of the consumers who buy these products because they must buy them (not because they want to buy them). Similarly, they may stereotype people in terms of attributes. For example, they may categorize "poor" as southerner, fat, black, and so on, rather than in terms of the behaviors that can be changed.
"Success Generates Envy."	There are those in the industry who perceive the success of financial actors who make money as inherently predatory. Financial institutions know that their success generates envy and is likely to attract societal retribution.
"Sophisticated Players Do Not Need Much Supervision."	Financial institutions are sophisticated entities who do not need much supervision. Firms have the "intelligence and resources" to self-regulate, and they may do so better than any government body. Thus, so long as they do not do anything illegal, regulators will continue to have a light touch on them and refrain from imposing their judgment on the marketplace. In contrast, 'the average Joe', lacks resources and financial literacy and is the one who needs government protection.
"They Want Our First Born."	The sole goal of regulators is to stop wealth generation. They are less concerned with improving outcomes and more concerned with protecting some groups of stakeholders at the expense of other groups. Yet, any action by regulators that doesn't let the market work "freely" is an incursion on the rights of firms who risk it all to generate wealth.

Table 2. Participants' beliefs about stakeholders' relationships. Beliefs were collected across subject matter experts and consumers.

STAKEHOLDER PRIORITIES AND GOALS

We gained additional insights on the stakeholder culture in the financial system today by analyzing stakeholder priorities and goals. These latter explain how actors frame their respective roles, what is important to them, and why they may follow the same behavior patterns, again and again. We studied this cultural layer by examining how industry associations, professional associations, regulatory bodies, and consumer associations articulate their respective missions and visions. This analysis highlighted seven priorities.

Importantly, the insights we gained using this research method overlapped with the beliefs in Table 2. For example, the mission statements of consumer associations mainly focused on access and information, bolstering the idea that the consumer is powerless and out of the loop. Simultaneously, we found that only a small number of industry associations and regulatory entities (20% and 26%, respectively) emphasized transparency and access to financial services in their mission statements, which confirms that what the consumer needs may not be what other stakeholders deem vital.

Figure 2 provides a pictorial view of our findings, showing how frequent the seven priorities found across the mission statements that we analyzed were in each stakeholder category. Where a bar is light blue, it indicates that the corresponding priority did not appear across the mission statements representing that stakeholder group. For example, none of the industry associations' mission statements mentioned professionalism. Similarly, among professional associations, we did not find vision statements that mentioned transparency.

Conversely, where the bar is blue, it indicates the frequency with which a priority appeared in a certain stakeholder group – the more frequently mentioned, the darker the shade of blue. Take, for example, the mission statements of industry associations. These referred to economic growth far more frequently than market stability. The missions of financial professional associations, on the other hand, focused on ethics and safety more than economic growth. And, in the case of regulatory bodies, most mission statements threaded a balance between ethics and safety, on the one hand, and growth, on the other, consistent with the idea that regulators may perceive two competing obligations. As further evidence of this dynamic, most statements in this category failed to tie the interest of financial creators to the well-being of the consumer.

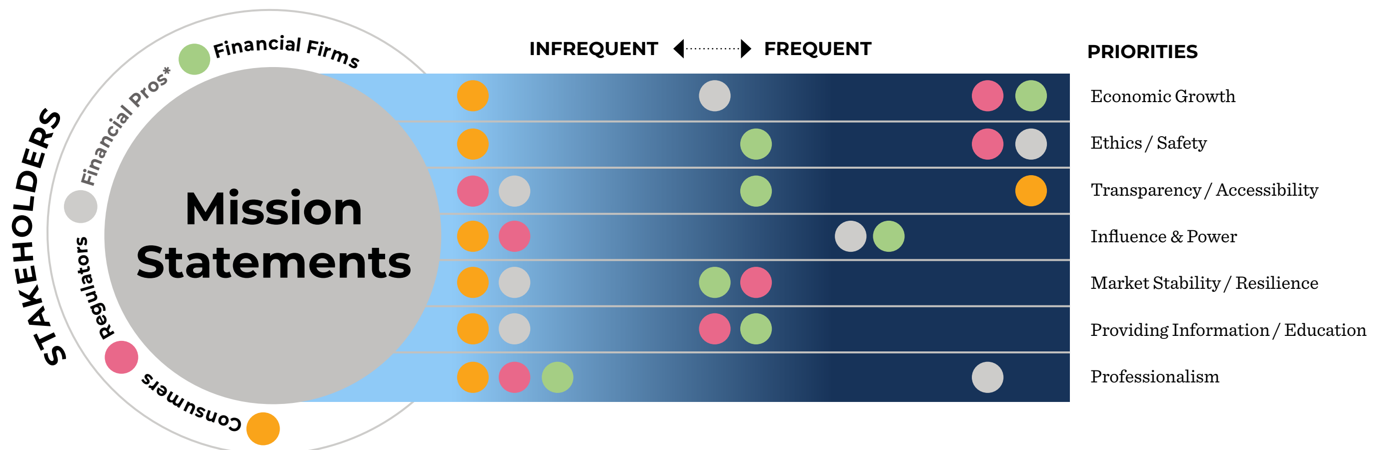


Figure 2. Stakeholder priorities by stakeholder category. The darker the shade of blue in the bar associated with a given priority and a specific stakeholder group, the more frequently that priority appeared in the mission statements of that stakeholder group

Overall, results show that financial firms play a complex but largely self-focused role:

- Among both industry and professional associations, there was a strong emphasis on wealth creation and personal growth, but not necessarily the consumer.
- Only one-third of the mission statements of industry associations focused on ethics, access, and transparency. Among these, half also highlighted "influencing policy." In other words, at present, not only are firms likely to perceive ethics as ancillary to business, but they may tend to construe their relationship with regulators in political terms.
- There was significantly greater emphasis on ethics and safety among associations supporting professionals than firms. This is consistent with the belief that sophisticated institutions do not need supervision. Yet, if firms frame ethics as a problem of people's conduct, not systems' or organizations,' then the system is fundamentally sound (i.e., "the barrel is whole") and exposed only to the risks that a few "rotten apples" may create.

We integrated the insights obtained across all participants and the mission statements in a single Map of Stakeholder Perceptions (see Figure 3). This map summarizes how actors in the financial system perceive firms, consumers, and regulators—the most traditional stakeholder groups—on six fundamental issues:

- Deserving economic primacy
- Being economically vulnerable
- Having the ability to self-regulate
- Having power and influence
- Having a vision of shared interest
- Advocating without bias

Figure 3 shows which attributes apply to each group, and which don't. Additionally, it indicates on which attributes views diverge. Thus, the bar labeled "converging" indicates vast agreement, across all actors, that the attribute applies to that stakeholder group, while the bar labeled "non-applicable" signifies actors agree that the attribute doesn't apply. The bar labeled "discordant" indicates when some think that the issue is descriptive of a specific group, but others disagree. For example, we found a widespread perception that financial firms have influence and power but lack a vision of shared interest. However, perceptions of whether financial firms deserve economic primacy over other stakeholder groups were discordant. By the same token, there was little consensus on whether firms can self-regulate. Institutions believe that they can, but other stakeholders disagree.

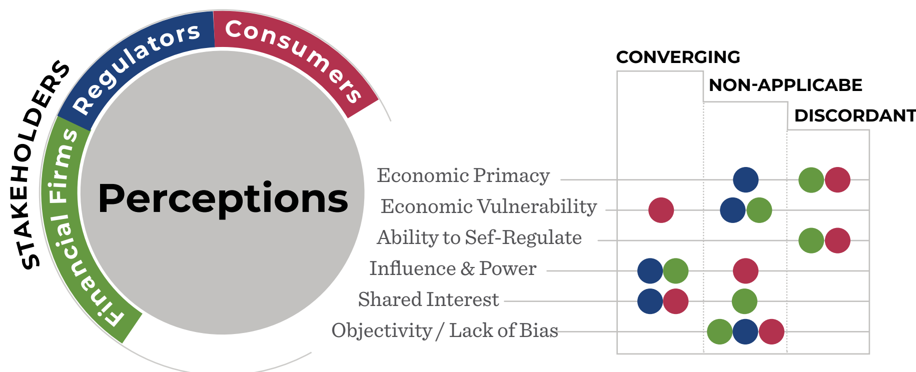


Figure 3. Map of Stakeholder Perceptions. The map presents perceptions about financial firms, regulators, and the consumer obtained from our cultural analysis of various data sources (i.e., interviews with subject matter experts and analysis of mission statements). The bar labeled "converging" indicates vast agreement, across all actors, that the attribute applies to that stakeholder group, while the bar labeled "non-applicable" signifies actors agree that the attribute doesn't apply. The bar labeled "discordant" indicates when some think that the issue is descriptive of a specific group, but others disagree.

THE IMPACT OF FORMAL POWER

There is a power asymmetry between institutions and the consumer that encompasses cognitive and affective aspects of their relationship (Bulgarella, 2021). As a result, not only do consumers perceive a lack of access, transparency, and information, but they are also likely to experience a gap in shared values.

Notably, this power imbalance is rooted in stakeholder beliefs and mindsets. For example, many actors within the financial system view firms as wealth creators for the entire economy. But by assigning institutions this unique role, they also give them more power. As a result, the consumer ends up holding a lesser position. In practice, consumers lack direct influence on the services and products financial services have to offer. Thus, they may have to come to terms with what is available to them, which often means sacrificing their personal values to gain access to the resources they need to survive.

Predictably, the power-based norms that shape the industry encourage a logic of power-grabbing. Firms view their ability to accumulate and wield power as critical for meeting their priorities. Simultaneously, lobbying efforts by industry associations and other entities remain widespread. But regulators, too, are beholden to the same mindset, responding to institutions' efforts to gain more power with a similar number of regulatory efforts. Thus, as firms strive to expand their influence, regulators fight over who gets to regulate which group and under which standard of care.

Unsurprisingly, while the public discourse within the industry has become more stakeholder-focused, most industry practices have not. For example, boards are yet to change their voting patterns, even among firms that have opened their doors to conversations about social issues. Change is slow not only because wealth remains too concentrated but also because financial institutions appear to resist newcomers and novel ideas. As a result, stakeholders stick to the behaviors they know, failing to adapt the existing culture to a changing reality.

Though power-based norms govern relationships, both firms and regulators may not see this as a source of greater risk. Power begets power as financial institutions have the resources and means to challenge regulatory actions and shape the legislative debate. Simultaneously, the consumer holds the burden of proof when it comes to the potentially negative consequences of new financial products and services.

Since stakeholders continue to operate according to outdated roles and norms, changes in technology, demographics, and practices are rapidly exceeding the control mechanisms of the financial system's traditional stakeholder structure. This dynamic is increasingly a challenge now that institutions rely on data and Artificial Intelligence to gain market power. Since regulators have mostly played the role of distant referee between firms and customers, they've ceded a more strategic role. But this, in turn, leaves these emerging risks unaddressed.

EMERGING SHIFTS IN INFORMAL INFLUENCE

While the financial system's formal power dynamics remain deeply ingrained, a new informal order is afoot.

Despite a seemingly unmovable status quo, those who hold the most informal power over the consumer today have the biggest lever to change the stakeholder landscape. This is because influence dynamics—who the consumer listens to and is willing to be influenced by—affect both stakeholder roles and relationships. For example, if the consumer pays attention to social media more than regulators, regulatory agencies become less relevant and their role is intrinsically diminished.

We examined the financial system's informal influence structure using consumer data on who consumers listen to when they make their financial decisions. This analysis highlighted a significant gap between the financial system's informal and formal power structure. In particular, financial institutions have very little informal power over consumers who do not trust them. In fact, the more negative the view of how firms operate (i.e., cannot be trusted; are greedy; etc.), the less influenceable the consumer becomes.

Indeed, consumers who think that financial institutions are greedy do not trust any source. Among these actors, information is fungible, creating a greater vulnerability to unreliable feedback loops. Thus, whether a reputable purveyor or the shadier parts of the internet provide advice, it doesn't make any difference to this growing stakeholder group.

Overall, two findings should concern firms the most: First, the current influence dynamics reflect a stakeholder landscape that is quickly reshaping. Second, only by gaining consumer trust can financial institutions maintain their primacy over time. In particular:

- Today, social media have more influence than news media.
- Regulators have less influence than social media and customer advocacy groups.
- Church and religious groups have more influence than financial industry testimonials and nearly as much influence as educational institutions.
- Consumers who believe that caution is required when engaging with financial institutions listen to stakeholders known for sourcing qualified information (e.g., news media, regulators, and official information that institutions share with the public), especially customer advocacy groups.
- Consumers who believe that firms do not maintain their promises pay the least amount of attention to business leaders. In contrast, these stakeholders pay close attention to social media, church groups, customer advocacy groups, and educational institutions.
- Consumers who think that financial firms are trustworthy are more open-minded, especially toward financial institutions' business leaders.
- Consumers who believe that financial firms are honest also pay close attention to the information firms share with the public and how institutions treat their employees.
- Finally, contributions to social justice and diversity may sway the consumer more than the opinions of friends and family members.

Overall, our findings show that the current culture, which encourages firms to act in a highly competitive fashion, gives financial institutions more formal power but less informal influence over the consumer. Though a shift toward shared interest would provide firms with more

sway over their customers' purchasing decisions, the data reveals that institutions prefer to hold on to their formal power and pay the price in terms of the lower consumer trust.
Notably, regulators, the news media, and educational institutions play a diminished informal role. It is possible that, since regulators have chosen to appear neutral, consumers do not rely on them. Yet, the fact that regulatory entities lack both formal and informal power greatly reduces their credibility. Likewise, the narrow referent power that educational institutions seem to have relegates them to a minor position. Not only have these organizations fallen short in providing firms with appropriate tools for cooperation, but they may also have not done enough to educate the consumer.

Our findings also indicate that social media's increasingly important role in consumer decisions may strengthen these platforms' status in the future. While the experts we interviewed were more likely to label social media as a channel rather than a stakeholder group, our results suggest that such a characterization may be inaccurate. Not only do social media platforms play an influential role among those who think that institutions do not keep their promises, but they also affect those who believe that firms are trustworthy. In short, even if the system's formal power structure remains the same going forward, over time the shift in overall influence may be profound enough to bear significant marginal losses for financial institutions.

CONCLUSIONS

While the discourse within the financial system has grown more diverse and stakeholder-oriented, practices have changed less. This lack of evolution can be attributed to the predominance of power-based norms in the financial system's culture and the general inability by all stakeholders to move past certain beliefs and ways of doing things.
Notably, our research shows that the current culture and its various subcultures remain unsuited to meet new risks and broader societal changes. First, the importance that many assign to financial institutions, and the accompanying sense of deservingness that comes from such a perception, has encouraged companies to focus primarily on growth. Still, it has not nudged them toward developing real accountability for their risk strategies. Second, the individualistic ethos that shapes the financial system today has prevented stakeholders from seeking genuine dialogue and mutual opportunities for collaboration.

Unsurprisingly, the overall system continues to accrue considerable costs in financial failures and low trust.

To avoid increasingly suboptimal outcomes, stakeholders must help the system self-correct. This would require changing the current cultural script. In practical terms, all stakeholders—starting with firms who hold the most central position within the current stakeholder landscape—should develop greater self-awareness and take concerted action to rewrite outdated norms and beliefs. That is, they should:

- Better understand the "blind spots" that bias how they perceive their respective roles and the roles of other actors. Stakeholders could move closer to this goal by participating in educational and coaching activities designed to create active awareness of the current culture and its blind spots.
- Find overlapping areas of self-interest to develop a vision of common interest—a

mindset oriented toward managing common challenges and risks—rather than getting hung up on the idea of shared interest, which is far removed from the premises of the financial system's ethos.
- Create a roadmap of coordinated action to tackle shared problems across critical areas, including technological change, social justice, the future of work, educational needs across different stakeholder groups, economic growth of large and small communities, and sources of new risk.
- Agree on more productive behavior patterns, especially toward transparent and timely knowledge and information sharing. This shift, for example, might entail creating open-source systems as is already done in tech or academia, to develop public libraries of code or evidentiary data.
- Find new reporting and governance mechanisms (e.g., cross-stakeholder committees and task-forces to vet and study the impact of new products as well as the legitimacy of new stakeholder demands) to hold each other accountable that have little to do with the current power structure.

For firms, contributing to such a shift would likely result in more influence (both formal and informal); for regulators, more credibility; for consumers, more voice; for educational institutions, more scope; and for new entrants in the industry, greater awareness of the risks associated with uncurbed growth.

METHODOLOGY

The research presented in this report investigated the financial system's stakeholder culture using a variety of methods. These entailed:

- Interviews with eight subject matter experts, including regulators, consumer advocates, financial advisors, educators, and others.
- An analysis of vision and mission statements across 41 institutions (i.e., industry and professional associations, regulatory bodies, and consumer associations) that had published this information on their websites.
- The Maguire Center's Trusting Financial Services research on consumer trust about who consumers listen to when they make decisions about financial products and services.
- Insights from two consumer focus groups conducted as part of Trusting Financial Services research project.
- Archival research of past studies about the relationship between the financial performance of financial services institutions and their corporate social performance.

We developed insights into how actors evaluate stakes and their other beliefs by content-analyzing relevant feedback from subject matter experts and focus-grouped consumers. We also conducted a content analysis of 41 vision/mission statements—16 from industry associations, five from professional associations, 16 from regulatory entities, and four from consumer associations. The goal of this analysis was to determine what priorities these institutions deem critical, and how they view their role and responsibilities.

Finally, we examined the financial system's informal power structure using the Trusting Financial Services research on consumer trust conduced by the American College Maguire Center for Ethics in the spring of 2021. The survey reached nearly 2,000 consumers across the

U.S., asking participants numerous questions about their relationship with financial services institutions, including which stakeholders they listen to when they make their financial decisions and whether they trust financial firms.

The insights collected using these various methods were triangulated and weighed for consistency. The summary of findings presented in this report reflects prevailing views across multiple stakeholders and methods.

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Ethics.TheAmericancollege.edu/Alliance-Ethics-Financial-Services.

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