

Australian banks have been under intense scrutiny this year after [various scandals](#) called into question the culture of the industry. But it seems there's no easy answer to improving culture.

Professor Paul Kofman from Melbourne University was a panellist at an event discussing this exact issue. He says the heart of the problem is the lack of evidence for what types of cultural interventions translate into good business outcomes.

Kofman says bank executives can't ignore culture anymore because their jobs are on the line, but he also notes they aren't trained sociologists, so they might not notice problems in culture when they occur.

Instead of looking at the conduct of employees when trying to improve culture, the focus should instead be on the customer and if they are being best served, most of the panellists at the event agreed.

In an industry that has changed a lot over time, Kofman isn't convinced "big data" on its own will necessarily provide deeper insights into bank culture. He says as long as we're not sure how to measure culture, having more observations won't help. Kofman notes much of the exciting data analytics are in fact generated by new financial operators (for example in financial technology and offshore operators) that are currently outside the scope of our regulators.

Also on the podcast this week, Richard Holden tackles a question about how low borrowing rates affect demand and investment for Ask an Economist.

Read more <http://theconversation.com/business-briefing-fixing-culture-in-banking-and-finance-69220>