

# RBS Leadership Development Program

## EFMD Excellence in Practice Award 2011

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**Awarded to:** RBS (The Royal Bank of Scotland Group), The Wharton School (University of Pennsylvania), INSEAD

**Category:** Organizational Development

**About the Award:** The European Foundation for Management Development (EFMD) presents Excellence in Practice Awards to recognize outstanding and impactful Learning and Development partnerships in the domains of leadership, professional, talent, and organization development. Based in Brussels, Belgium, EFMD is a global forum for research, networking, and debate on innovation in management development.

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### The Challenge

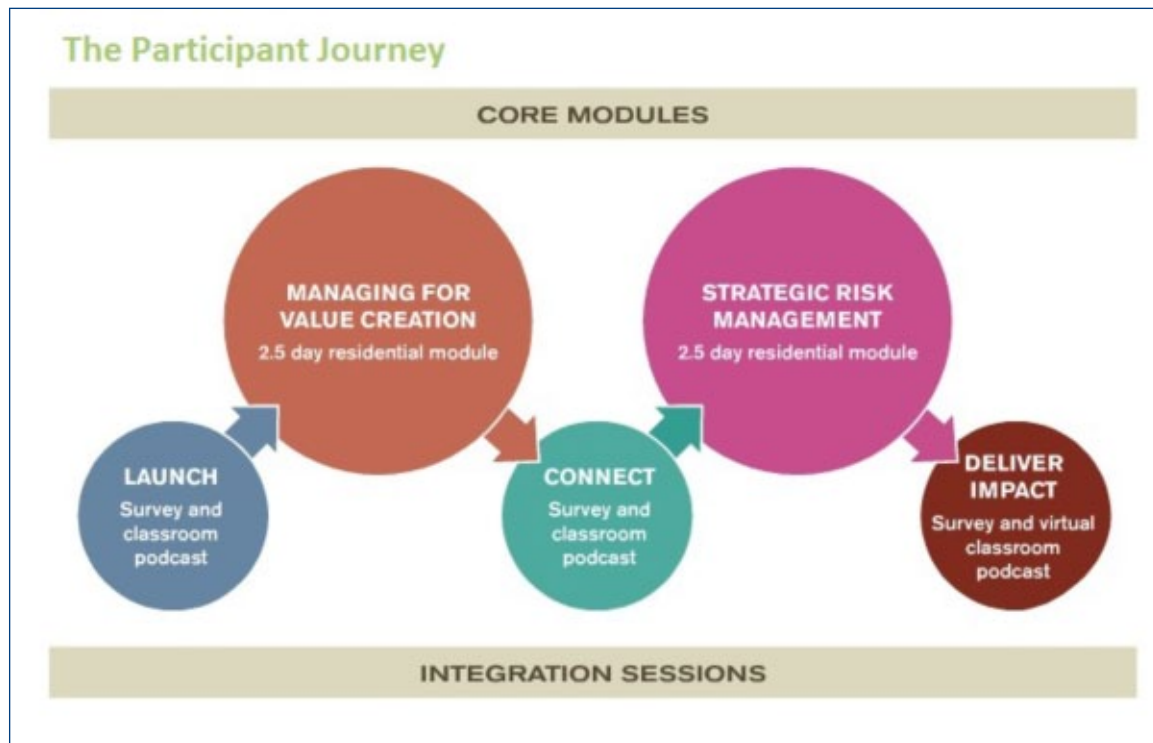
The Royal Bank of Scotland (RBS), one of the world's leading financial institutions, struggled following the 2008 financial crisis, which eroded RBS's value and led it to be largely supported by the UK government. In late 2008, under new leadership, RBS created a five-year strategic plan to enable it to regain its former strength.

### The Goals

The Strategic Plan, focused on creating value and reducing risk, required a more open, thoughtful approach to leader decision-making. In early 2009, RBS, with partners, Wharton and INSEAD, initiated its Leadership Development Program (LDP).

**The program's five key objectives were to:**

- Equip leaders to understand, execute, and sustain the strategic business plan at both group and divisional levels.
- Challenge the business plan and build ownership of and accountability for the delivery of RBS's strategic business plan.
- Develop more strategic, analytical leadership thinking.
- Promote effective collaboration group-wide to improve business performance.
- Establish and reinforce common language and behaviors across the group's leadership.



## The Solution

The program integrated several learning methodologies, including interactive lectures, case studies, workshops, and virtual classrooms. Recognizing the bank's strong grounding in traditional risk management, Wharton helped RBS's leaders question what was missing, see how those risks were interconnected, and create a mindset that managing risk is everyone's responsibility.

Every module used actual business units as the basis of analysis, and took a workshop approach so the senior-level leaders could roll up their sleeves and immediately start applying the new tools, strategies, and frameworks to RBS challenges. The program taught leaders how to think about risk in a more strategic way, how to manage both internal and external risks, and how to identify organizational breakdowns to avoid greater vulnerability.



Following four successful pilots in 2009, the program rolled out in 2010. By the end of July 2011, a total of 1,100 executives in 33 cohorts had participated. The cohorts met at RBS headquarters in Edinburgh, as well as at INSEAD's Singapore and Wharton's Philadelphia campuses.

## The Impact

In only two years, RBS and its partners conceived, designed, and implemented a program, which even before July 2010, had already succeeded at creating critical mass within the organization to bring about significant cultural change. That change was reflected in the bank's February 2011 financial results. It showed that the business was ahead of schedule on its recovery plan.

The Center for Creative Leadership evaluated the program, finding that more than 84 percent of alumni reported a change in their ability in line with the program's goals. Ninety-eight percent of alumni said the program was relevant, while 94 percent stated they were more effective leaders.

**Participant follow-up reports have also been strong:**

- 98% reported they have increased their ability for strategic and analytic thinking.
- 91% said they were better able to work collaboratively across the group to improve business performance.
- 90% were better able to understand, execute, and sustain the strategic business plan at the divisional level.
- More than three-quarters of alumni reported that they are applying key concepts from the program into their daily work.

These benefits will help support RBS leaders as they deal with the company's significant challenges ahead.

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*“ The most important factor in creating real competitive advantage is our people. The quality of our leadership team has by far the greatest impact on the performance of our people and so we set out to ensure that we delivered to our leaders a truly World Class Program, which would challenge not only the way they think but the way they act to ensure that everything they do really adds value—the LDP absolutely hit the mark on all counts! ”*

– Chris Sullivan, CEO, Corporate Banking,  
Executive Committee (ExCo) member, and the  
program's executive business sponsor

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