

Royal Bank of Scotland Group:

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Royal Bank of Scotland Group: The Human Capital Strategy



Historical background

Historical facts

- 1727 establishment of The Royal Bank Of Scotland
- 1890 expansion of The Royal Bank of Scotland branches across Scotland
- 1874 opened branches in London

Innovations in banking system

- 1946 introduction of mobile bank service
- 1972 introduction of house purchase loans
- 1997 online banking service
- 2012 enabled customers to donate money to charities

Historical background cont. TheCasesolutions.com

Controversies

- Former CEO Fred Godwin `stripped of his knighthood´
- Accusation of RBS officer for illegal activities
- Accusation of RBS for grabling interest

rate



Royal Bank of Scotland Today

- Returning Bank back to private ownership
- 33 million customers globally (24 million in UK, 3 million in Europe, 5.4 million in USA, 0.4 million in Asia)
- Current director Nathan Bostock

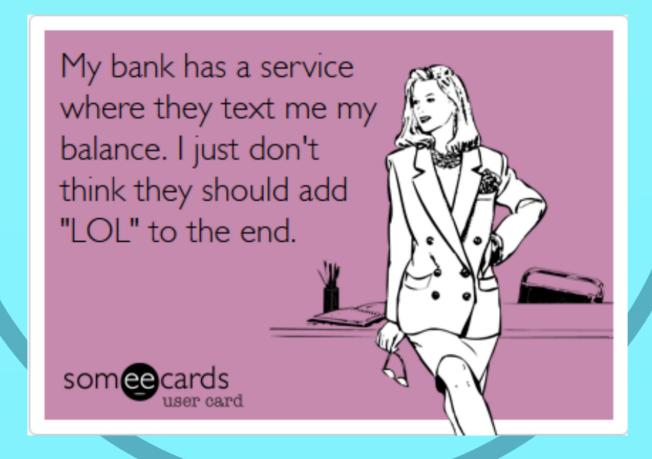
1. Is RBS becoming more centralized or decentralized?

- Since 1960s
- Developments in IT
- RBS more centralized

2. What form(s) of structure has the bank used to divide the business? Since it is also necessarily a graphically dispersed organization, what methods of co-ordinations is it likely to use?



- Divisional structure
- Six customer facing divisions
- Coordination through partially formalized structure



3. Does RBS have a mechanistic or an organic structure?

- Outstanding changes in technology
- Customers main target
- Organic (especially in customer relationship branch)
- Needs of customers important

5. The issue of bank bonuses was still highly topical and contentious in early 2010. Explain the dilemma that Stephan Hester faces, and comment on any recent developments in this area.

- Threats by the board of RBS, 1.5bn to staff
- Bonuses will only work as awards for service and performance
- European Union will cap the Bankers Bonuses twice their salary under supervision