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

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- Thanks by the board of RBS, Usher is staff
- Business will only work as a security fire service and performance
- European Union will cap the Barclays Business twice their salary under supervisors

2. What formal of structure has the bank used to divide the business? Since it is also necessarily a geographically dispersed organization, what methods of co-ordination is it likely to use?

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

- Does HBS have a mechanistic or an organic structure?
- How are changes in technology?
- Customers' main target?
- Organic vs. inorganic relationship: friendly?
- Needs of customers important?

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Is RBS becoming more centralized or decentralized?

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- Since 1980s
- Development in IT
- RBS more centralized

[illegible]

<p><b>A. Bujes, and Douglas T. Swenson</b> (University of Illinois, Urbana-Champaign)</p> <p><b>Integrating knowledge networks for the knowledge firm</b></p> <p><i>Abstract</i> Knowledge is a firm's primary source of competitive advantage. Knowledge is a firm's primary source of competitive advantage. Knowledge is a firm's primary source of competitive advantage.</p>	<p><b>Integration of knowledge networks</b></p> <p><i>Abstract</i> Knowledge is a firm's primary source of competitive advantage. Knowledge is a firm's primary source of competitive advantage. Knowledge is a firm's primary source of competitive advantage.</p>
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The linear model of SRTs is inadequate to design the decision-making

The theory was made → a better gathering of information and facts → a full account of numbers → a re-evaluation and change of decision impossible → an example

7. Why do you think the board was credible in its assessment of the board and the senior team? What 3 sources of power did it (Canadian and US) board, possess?

Due to the great expertise and knowledge that Canadian and US senior teams have shown in going the board. Different functions, both in the manufacturing.

- Expert/technical power
- position power/role authority
- power of power to appoint, promote, and demote

The three power of

1. expert power (type of power because of their knowledge and

# Royal Bank of Scotland

# **Royal Bank of Scotland Group: The Human Capital Strategy**

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# 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

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# Historical background cont.

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### Controversies

- Former CEO Fred Godwin `stripped of his knighthood'
- Accusation of RBS officer for illegal activities
- Accusation of RBS for grabbing 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?**

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- *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?

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

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My bank has a service where they text me my balance. I just don't think they should add "LOL" to the end.



som<sup>ee</sup>cards  
user card

### **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

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**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.**

## **TheCasesolutions.com**

- **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**