

NAME: ADEBOMI OLUYINKA SALU

STUDENT NUMBER: 1809923

MODULE: BMSW5105

ASSIGNMENT TITLE: WORKPLACE CULTURE AND ITS IMPACT ON ORGANISATIONAL EFFICIENCY.

LECTURER: DR REXON NTING

(Report or Essay style approach)

Choose any particular organisation that you are familiar with and discuss the following:

1. Critically assess the workplace culture of the organisation.
2. Using any environmental scanning tool, do provide a critical evaluation of the broader environment in which your organisation operates and its impact on your organisation's culture and performance. (How is PEST linked to the culture).
3. Critically evaluate the extent to which you think your organisation's present cultural and ethical standards and the personal ethical standards, values and beliefs of most employees is sustainable and can help the organisation achieve its corporate social responsibility.

TABLE OF CONTENT

INTRODUCTION.

PART 1:

CULTURE (Definition and meaning)

MY CHOSEN ORGANISATION (Background history).

WORKPLACE CULTURE (Critically assess introducing Hofstede Model).

PART 2:

EVALUATION OF THE BROADER ENVIRONMENT (PESTLE analysis using PEST and SWOT analysis).

PART 3:

CRITICAL EVALUATION OF THE SUSTAINABILITY, CONSIDERING CULTURAL AND ETHICAL STANDARD, VALUES AND BELIEFS OF EMPLOYEES IN ACHIEVING SOCIAL RESPONSIBILITY (SRI).

INTRODUCTION

This report aims to critically assess the workplace culture of my chosen organisation. It will define, identify and explain various scholars and professionals understanding of culture in organisation, laying emphasis in my chosen workplace.

Organisations are confronted with different values, norms, beliefs and assumptions and we will be finding out how the organisation is impacted by their culture. The culture in an organisation has to be sustainable and (Maund, 2018) pointed out that all employees of an organisation must be aware of the corporate culture of their workplace..

This report will also look into the broader environment in which my chosen organisation operates and the impact on its culture by using the PESTLE and SWOT analysis to evaluate each factor contained in the analysis.

Furthermore, there will be an evaluation of how my chosen organisation present its ethical standards, values and beliefs and how these could be sustainable in helping my organisation to achieve its corporate social responsibility.

CULTURE (Definition and Meaning)

There have been several definitions and many scholars, professionals and experts have given their version in the process of making us understand the concept of culture. Some scholars do agree that though there are many interpretations of culture, the underlying facet of it is that culture is learnt by humans one way or another. One of the definitions which reinforces this concept is where it is defined as a code of attitudes, norms and values, a way of thinking learned in a social environment which makes culture to be an inherently diverse concept (Browaeys and Price, 2008). People are shaped by their culture and this is as a result of influences like family, friends, school, work, social environment geographical location and national culture. Culture is formed by people in the same society through their shared behaviour.

There are three levels in which culture functions and these are;

- Artefacts and Attitudes (observable and tangibles).
- Values and Norms (statements of fact about society guided by cultural rules determining right or wrong).
- Basic assumptions (we get answers to 'why' depending on our attitude, values and beliefs, which is complex in explanation).

It is believed that culture develops at different levels which are, national, professional, corporate, management and organisational culture.

In an organisation, "Culture is highly significant for how organisations function, from strategic change to everyday leadership and how managers and employees relate to and interact with customers or clients as well as how knowledge is created, shared, maintained and utilized" (Alversson, M. 2012). We therefore see organisational culture to be about strategy, goals, personnel, and the operation of a company. These are also entwined by the company's values and perceptions, beliefs and attitudes binding the organisation. The organisation thereby trains new staff in their way of thinking, acting and functioning at work to fit in with the culture. I will be looking further and assessing the workplace culture, further into this report.

MY CHOSEN ORGANISATION: Royal Bank Of Scotland (RBS)

Background history:

Royal Bank of Scotland (RBS) was established in Edinburgh in 1727 and has contributed to Scotland's industrial and economic development in the past three decades. Reported on the Royal Bank of Scotland website (2019), about 12,000 staff are employed by the bank, serving 1.8m personal customers more than 110,000 corporate customers. Over 20,000 new mortgages have been permitted by the bank and 20 mobile branches established in Scotland. RBS have made effective impact to Scottish community by several programmes like MoneySense, STV Children's Appeal and set up the Skills and Opportunities Fund. It is evident the impact RBS have made and are still making in Scotland and currently in the rest of the United Kingdom by different initiatives and charitable donations. Still on the history of RBS (RBS website, 2019), their brand consist of other financial institutions established before the bank itself. These financial institutions are;

- NatWest - new name launched in 1970 from 300 years of banking.
- Ulster Bank - set up in 1836 in Belfast and has sprung up all over Ireland.
- Isle of Man Bank
- Drummonds (known to some as the Queen's bank) - established in 1712.
- Coutts - set up in 1692 and known for private banking.
- Child & Co - established in the 1640s.
- Lombard - founded in 1861 in Rotherham as a railway wagon leasing company.
- Holt's - set up in 1809 for the army and still serving the nation's army banking needs.
- RBS International and NatWest Markets.

The list of RBS brands above gives a broad outlook of the different services associated with the bank.

Year 2008 was a pivotal year for RBS which must be mentioned as part of the bank's history. RBS ran into major financial problems due to some bad practices by the bank and was part of the nation's financial crisis at that period. The bank received the first government bail-out in October of 2008 of £20bn capital payment and the second rescue came in December 2009 with £25.5bn hence the government ownership rising to 84% of the bank (RBS timeline, 2019). RBS continues to grow, taking risks and riding the tide of financial institutions with new and innovative strategy till date.

However, there have been a lot of criticism regarding the government rescue of the bank as some regarded it as the worst excesses of the pre-crisis period and that though there were several investigations and scandals, the government still supported the bank with taxpayers funds.

Boait, (2018) wrote in 'The Guardian' that "Despite the fact that people are fed up with our self-serving banking system and despite the taxpayer having a controlling stake in one of our biggest banks, we haven't seen any significant change over the decade". He believed that RBS is one of the broken banking system in the UK because the bank has since received huge amount of fines as a result of misleading mortgage packages. In February and December 2013, RBS was famously fined by the UK and US regulators and also by the European Union, £390m and 391 euros respectively, regarding the 'LIBOR' (London Interbank Offered Rate) manipulation.

Despite the negative views of some critics and some customers, RBS continue to ride the tide and keep its head above troubled waters by controversially cutting costs by closing branches due to a reduction in branch transactions because of the rise in online and telephone banking, as reported by (Connelly, 2018). RBS has always been known as the bank that places the welfare of its employees as priority has gone further in strategy to improve communication and collaboration across the organisation as a whole by initiating 'workplace by facebook' where employees are free to share information safely, securely and confidentially.

RBS WORKPLACE CULTURE

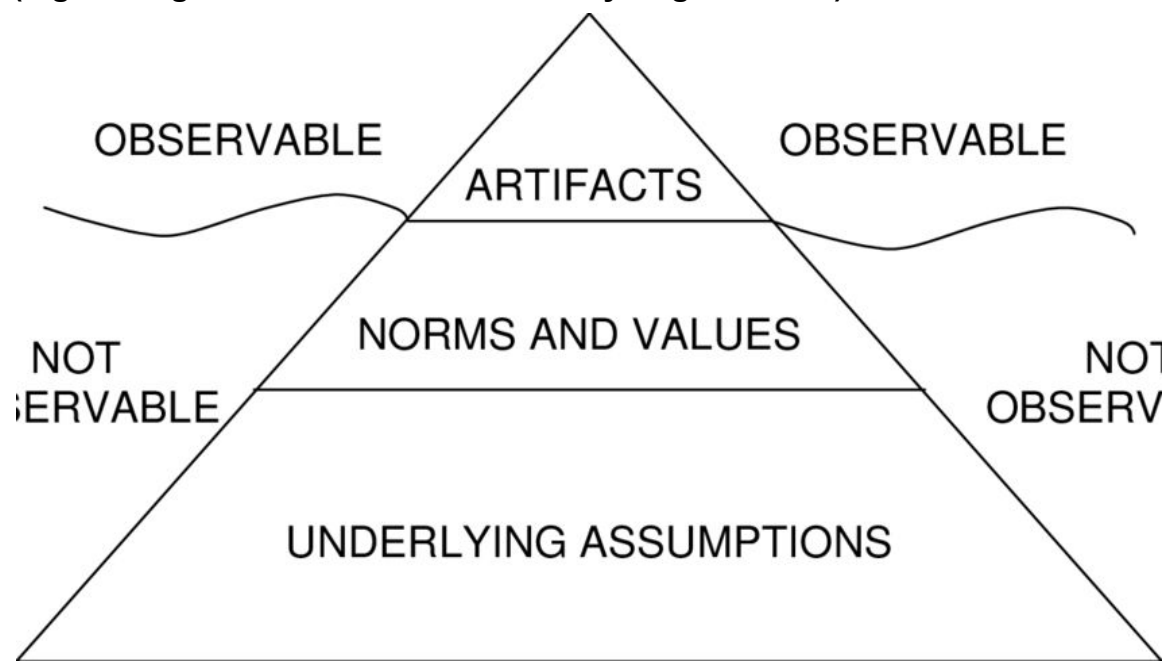
Organisational Culture (Critical Assessment):

It is pertinent to discuss and understand Organisational culture as a prelude to assessing RBS culture. Maund, (2018) describes “culture as habits, values, mores and ways of acting which is often referred to as the norms by which people identify themselves and others”. Just as culture is in everyday life which includes interesting and tedious activities people engage in. Therefore the culture in an organisation is marked out in the way the employees relate to their habits, offices, and nature. To explore this further, (Schein, 1997) came up with organisational culture being unseen and most times taken for granted by how organisations discern their environment. This is seen in the three components of culture as discussed in the definition of culture previously.

Maund, 2018 describes the first level which is artefacts as visible organisational characteristics like architecture, buildings, staff uniforms, interior design and all other physical elements that is obvious and noticeable. For example, Buckingham Palace is an architectural, historical and magnificent building that proclaims the culture of the Royal family in the UK.

The second level being the values and norm is also discovered in the third level (basic assumptions) and as Maund, (2018) continues to explain, values embodies the inconspicuous norms and beliefs in culture by the organisation staff when deliberating organisational issues. Employees behaviour is guided by these as it is the most important level in shaping the decision making process in an organisation and the level that has the ability to transform an organisation. Find below an illustration adapted from one of Schein’s model organisational cultures where we can see the observable and not observable concepts within the three levels.

(Fig 1.1 Organisational culture model by Edgar Schein)



(Illustration by ToolsHero)

Royal bank of scotland have always believed in creating a healthy culture where the employees are engaged and the working environment strengthened by robust risk behaviours. As reported on the RBS website (2019);

“Our Values guide the way we identify the right people to serve our customers well, as well as how we manage, engage and reward our colleagues. They are at the heart of both Our Standards and Our Code of conduct”.

In order for RBS to live by this statement in trading within their culture, they have it reinforced into their policies and processes, communication, training and leadership role modelling. This is exhibited by the way RBS have progressed in the way information and feedback is gathered from their employees through the channel of their listening strategy. They use KPI (Key Performance Indicator) and metrics in assessing their progress and respond as necessary. This is done because RBS receives feedback from

their annual assessment of culture in the UK banking sector and also BSB (Banking Standards Board), as reported on the RBS website (2019).

In order to show that RBS is listening to their employees for an improvement in culture within the organisation, an opinion survey was carried out in 2018 amongst the employees and it was reported that it proved to be the most positive result recorded since engagement within the culture of the bank was going through the change. By this assessment of the new strategy to improve the culture, RBS have grown from strength to strength which is evident from their improvement in the engagement, leadership culture. This improvement is shown in the illustration below;

(Fig 1.2 from RBS website)

Our View September 2018

Sustained progress - with Engagement Index and Leadership Index at highest levels ever



As part of RBS culture, employees are encouraged to report any worry or distress in regards to misconduct at work through 'Speak Up'. Speak Up was formed as a whistleblowing service in 2018 and since its inception, has seen complaints raised grow to about 480 cases which in comparison to the previous year was about 270 cases because the confidence in employees to speak up grew as a result of better understanding of the process and assurance of confidentiality. RBS believes that by looking after employees and their wellbeing, employees will be able to do their jobs properly thereby rise in productivity.

Having recognised how RBS value and puts their employees first as part of their culture in serving customers well, it must be noted that this same bank after the 2008 crisis are still closing more branches thereby making a lot of their employees redundant and out of jobs and more than 1,500 communities without a high-street bank (Boait, 2018). Connelly, (2018) also pointed out that though RBS declared a loss of over £1.1bn in 2010, the bonuses of the top executives, one of them being 'Fred Goodwin' was enormous which brings the analysis to the employees relieved of their jobs through no fault of theirs but the wrong decisions made by these top executives.

However, steps have now been taken to rectify executives being paid big bonuses by a restriction to shares in the organisation. This can be seen as part of the new strategy in their culture because the bank's employees are aware of the taxpayers assistance during the 2008 financial crisis. It then begets the question of whether the government will rescue RBS and its brands again if it runs into another crisis in the future. Ross McEwan the current chief executive said recently " The government has for the most part been an excellent shareholder".

"Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster"
(Professor Geert Hofstede).

Geert Hofstede is a well known scholar on Culture and has come up with his framework for assessing culture in an organisation. According to (Belyh, A. 2015), Hofstede's cultural framework characterises the impact of the culture entrenched on the values of the society and also explains the relationship between the values and behaviour. At first, Hofstede proposed four dimensions and after 2 more independent studies in different years, added two more. Therefore, the emergence of his six cultural dimensions which are;

1. Power distance: describes how some members of a society who are less powerful accepts that power in their community is not equal and

that some people are more powerful than others. The position of authority in RBS as many other organisations are not equal. Employees on the lower cadre are aware of the unequal benefits the bank disburses which was why the chief executive in the office at the time of the financial crisis could go away with a large bonus and not the rest.

2. Uncertainty Avoidance: This describes how far society are unsure of vagueness and uncertainty and tries to avoid these situations.
3. Collectivism versus Individualism: The focus here is on whether people in the society prefers to work independently or together as a group, as a society working together.
4. Quantity of life versus Quality of life: Does the society value assertiveness and materialism or do they value concern and relationship with others.
5. Long-term Orientation versus Short-term Orientation: Emphasis is on the future with long-term orientation while emphasis is on the past, present and respect for tradition.
6. Indulgence versus Restraint: This shows how society can refrain from impulses and desires.

(Belyh, A. 2015)

EVALUATION OF THE BROADER ENVIRONMENT IN WHICH RBS OPERATES

Royal bank of Scotland need to be able to understand and manage its broader environment and this can be evaluated by using the SWOT analysis and the PESTLE analysis. Banks manage across culture and these tools would help to discern what needs to be done. For the purpose of this report, 'PEST' analysis would be used instead of 'PESTLE'. The PEST analysis is a contingency planning tool which organisations use in projecting threats before it happens, so that they can plan ahead of all eventualities (Johnson, 2013).

(Fig 2.1 by swot and pestle) **PESTLE ANALYSIS FOR RBS**

Political • Change in rules and regulations. • There could be an unfavourable effect from the government's competition review findings. • Uncertain times with Brexit.	Economical • Low interest rate environment hindering profitability.
Social • More people are falling into the ageing bracket because of awareness of good health so people are living longer.	Technology Information technology (IT) growth mandatory for banks because of regulations.

Political: There was a new regulatory capital rules from the European Union compelling banks into ring fencing major operations and also a surcharge of 8% of their profits in January 2016 by the UK government. That is why RBS decided to relieve most of their overseas operations.

Also, by 2019, a minimum Common Equity Tier (CET) ratio of 4.5% of self funding must be retained by all banks because of the new Basel III capital

requirements. This was as a result of the financial crisis of 2008 (SWOT and PESTLE.com, 2020).

Lastly, RBS sees another push for Scottish referendum as a threat because the majority of Scottish people voted to remain during the 2016 Brexit vote. If this happens, RBS might need to relocate their head offices in Edinburgh to London. There will be a significant negative impact on RBS and its operations and regulation (SWOT AND PESTLE.com, 2020).

Economical: A short-term effect is already being felt by Brexit and this is being felt within the wider economic environment. It saw the base rate reduced to 0.25% from 0.5% (interest rate) in August 2016 which has an adverse effect on banks, hindering profitability (Annual report, 2016).

Social: The ageing population is rising according to the Office of National Statistics (ONS). It reported that in the last 40 years, the median age has gone from 33 in 1974 to 40 years in 2014 and double the growth of 55-64 year olds by 2019. This is a positive outlook for RBS because it is believed that pension age has more disposable income for a push towards savings and investments (SWOT and PESTLE.com, 2020).

Technology: There is growth in information technology transformation and innovation at RBS. Especially as most jobs have moved from the branches to its call-centers. More people are now banking online and on the telephone and also RBS are leading in opening up branches where customers use technology by themselves with a little help from available staff.

RBS continues to invest in the reliability of their digital service and to provide a safe and secure digital banking to all customers.

(Fig 2.2 by swot and pestle) SWOT ANALYSIS FOR RBS

Strengths	Weaknesses
● RBS is important to the UK economy. ● UK government is a major shareholder.	● Conduct and Litigation charges. ● Various limitations on bonuses.

• They hold a presiding position in the UK Corporate and Commercial banking market. • They have introduced a change in strategy, recognising and valuing employees. • Engaging employees.	• Closure of branches.
Opportunities • Focus is more on important market due to selling off some businesses. • Investing in small businesses and start-up businesses. • Giving more customers support by providing Mortgage lending.	Threats • Competition from other banks have increased. • Bad impact from the government review findings after 2008 financial crash. • Brexit.

Strengths: RBS is one of the major banks in the UK and the government owns about 84% of its shares. Some critics have deemed the bail-out by the government to be unfair on the other banks and also to RBS customers and UK tax payers. Although these critics did not support that move by the government, RBS have weathered the storms and they continue to re-evaluate their strategy for success. The employee engagement score is 86% most positive they have ever seen since measuring started in 2002 (RBS overview, 2018).

Weaknesses: RBS is still bearing the brunt of the 2008 financial crisis, though it is currently over 10 years ago. The Guardian newspaper reported that despite the fact that RBS was rescued from imminent collapse and people tired of the banking system and also taxpayers having a major stake, the changes have been limited (Boait, F. 2018). One could argue that as much as some people are still disgruntled over the bail-out, RBS have seen a lot of improvements in some areas of banking especially as digital innovators.

Opportunities: RBS is not laboured with too many subsidiaries hence they can focus more on investing in small businesses and start-up businesses.

Threats: There are so many other banks giving RBS a run for their money. Santander, HSBC, Barclays and Lloyds to mention a few and also a few of the new generation banks with no physical building to cut costs but have a big online presence. The uncertainties of Brexit is a major threat to RBS.

CRITICAL EVALUATION OF THE SUSTAINABILITY, CONSIDERING CULTURAL AND ETHICAL STANDARD, VALUES AND BELIEFS OF EMPLOYEES IN ACHIEVING SOCIAL RESPONSIBILITY (SRI).

Organisational sustainability is “the principle of enhancing the societal, environmental and economic systems within which a business operates” (Wales, 2013). He identified with the fact that organisational sustainability has more to do with organisational culture than specific policies and procedures.

RBS has a major purpose and that is to be able to serve their customers well. That is a fundamental element of its culture where others springs out. RBS wants to consistently give a high quality service to the customers and wants to be respected, valued and trusted by customers, shareholders and the community. RBS believes that by the employees bringing their best to work, supporting each other as a team, this would enable everyone in realising their potential (RBS: about us, 2019).

RBS director of sustainable banking made this statement;

“We are committed to running the bank as a sustainable and responsible business, serving today’s customers in a way that also helps future generations. We meet regularly with nGOs, governments and other stakeholders to understand how we can generate long-term value for them” (Britz, K. 2019).

From the statement above, it is evident that RBS strives to perform business responsively though they have incurred a couple of fines from the

governing bodies in the past years. It is clearly evident that they are turning the tide since the 2008 financial crash but they sometimes fall short of the risks they take in their transactions with other conglomerates. RBS is very aware that for them to achieve all of their objectives on sustainability, the bank needs to run efficiently and ethically.

However, their ethical promises could be called to question when many people took to protesting outside their branches in the UK, because they were accused of hypocrisy when it was discovered that they financed fossil fuel companies. Recently, Scottish people are not happy about their plan to move RBS headquarters from Scotland to London over Scotland voting for independence in the referendum (Britz, 2019).

AS part of RBS Social Responsibility Investment, they announced their commitment to provide £10bn of funding to the Sustainable Energy Sector by 2020 in order for there to be a gain in momentum for the transition to a low carbon economy. They have promised to carry on financing the low carbon generation and energy efficiency projects, and also to include energy efficiency in real estates and alternatively-fuelled vehicles (Britz, 2019).

CONCLUSION

In conclusion, we can see how culture is found in the entirety of everyday knowledge which is used perpetually in order that one can understand the world around through an influence of shared meanings and understanding inherited through language, symbols and artefacts (Maund, A. 2018).

REFERENCES

Alversson, M. (2012) Understanding organisational change. London: Sage Publications.

Belyh, A. (2015) Understanding cultures and people with Hofstede dimension. Available at: <https://www.cleverism.com/understanding-cultures-people-hofstede-dimension> (Accessed: 4th January 2020).

Boait, F. (2018) 'Ten years after its near-collapse RBS still a toxic brand' The Guardian, 11th October. Available at: <https://www.theguardian.com/2018/oct/11/ten-years-rbs-toxic-brand> (Accessed 3rd January 2020).

Browaeys, M. and Price, R. (2008) Understanding cross cultural management. Harlow: Pearson Educational Ltd.

Connelly, S. (2018) 'A short history of The Royal Bank of Scotland' History of Banking in the UK. [blog]. 31st December. Available at: <https://www.cashfloat.co.uk/blog/money-borrowing/history-leading-uk-banks> (Accessed: 3rd January 2020).

Johnson, I. (2013) Small business pest analysis: Contingency planning for the unexpected. Available at: <https://www.driveyoursuccess.com/2013/06> (Accessed: 5th January 2020).

Maund, A. (2018) BA in Leadership and management: Skills for the workplace student yearbook. 1st Ed. London: Sage Publications Ltd.

Royal Bank of Scotland, (2019) Creating a healthy culture. Available at: <https://www.rbs.com/sustainability/workin-at-rbs/creating-a-healthy-culture>

(Accessed: 4th January 2020).

Royal Bank of Scotland, (2019) The bank we are becoming. Available at: https://www.rbs.com/rbs/about/the_bank_we_are_becoming.html

(Accessed: 2nd January 2020).

Royal Bank Of Scotland, (2019) We are the Royal Bank of Scotland. Available at: <https://www.rbs.com/rbs/our-brands/royal-bank-of-scotland>

(Accessed: 2nd January 2020).

SWOT and PESTLE.com, (2020) The Royal Bank of Scotland (RBS) group. Available at: <https://www.cwotandpestle.com/rbs-group> (Accessed: 5th January 2020).

Wales, T. (2013) 'Organisational sustainability' What is it, and why does it matter? Review of Enterprise and Management Studies, 1(1), pp. 2 Available at: <https://www.pdfsemanticscholar.org> (Accessed: 6th January 2020).