

Category: Innovation**Case Study: The Royal Bank of Scotland Group****Date: October 2007****EFA overview**

The need to prepare for the Age Regulations was seen by RBS as a great opportunity to profile the business case for age diversity. In addition, RBS needed to make significant adjustments to policies that required careful communication and consultation, e.g. the introduction of a NRA of 65 and the introduction of one severance policy, based on length of service, to replace 9 schemes all of which contained age factors.

One of the more innovative ideas for promoting age involved an interactive teleconference accessible to 1400 HR staff across the Group in the UK; with a recording accessible for one month after launch (plus an online copy of the presentation). This innovation in communications has been replicated in subsequent HR policy launches across the Group.

The initiative

Communicating detailed age policy changes across the RBS Group as part of a wider policy review and communication 'Age Programme'.

Aims and purpose

To ensure that the Group took advantage of the opportunity presented by the new age discrimination legislation, and to raise the profile/awareness of age diversity within RBS

Business drivers

- to increase awareness of age within RBS's overall Diversity & Inclusion business case in order to reflect a commitment to operating as a meritocracy, where all employees can achieve their full potential
- to ensure the employee proposition enables age diversity and inclusion as part of the Group's efforts to attract and retain the best people

The approach taken

The age project was managed by a cross functional team to ensure engagement and participation across Group HR functional areas. This was supplemented by the involvement of the Group's Diversity forum to provide valuable links to each of the Group's business divisions. Each divisional champion took an active role in the communication plan, including the adaptation and delivery of presentations designed to raise awareness of the Age Programme within their respective businesses.

Senior sponsorship was provided by the Group's global head of employee engagement to ensure profile was established and sustained amongst the Group's executive HR Leadership team. Further initiatives to engage the business were achieved by working with a senior leader within RBS' Manufacturing Division with responsibility for championing age diversity within that part of the business, home to some 25,000 employees. In addition to

hosting Age Diversity focus groups, this role proved a valuable sounding board for some of the programme initiatives, particularly communications materials. Support was also provided by other Group functions such as Group Communications and Secretariat.

Following awareness training, each HR Functional area undertook a thorough review of their policies, procedures and services to ensure evidence of age diversity practices. The outcomes from this analysis were reported to the Age Programme team who were responsible for tracking actions. Examples of policy changes, included revision of the Group's severance policy; and process changes, included managing a request to work beyond NRA. The Programme team also ensured links were established with other key RBS initiatives with age elements such the new Retirement Savings Plan. By holding weekly Programme Control Committee (PCC) meetings the team was able to prioritise action areas, track developments, resolve issues, log decisions and ensure any objective justifications were documented and provide overall cross functional support to team members.

The programme team took responsibility for internal and external communications, and consultation with Amicus on key policy changes (e.g. severance) and the overall programme structure and outputs. Communication was a key issue in advance of the introduction of the age legislation in October 2006. The team endeavored to find innovative and engaging ways to communicate the key aspects of the legislation and policy changes across multiple stakeholders. This was achieved using a variety of channels:

- intranet guides and FAQs
- an all HR teleconference where colleagues received key information on the age legislation and were able to interact with the programme team on age diversity issues important to them
- ensuring the Group's central Shared Services Policy & Advice team were briefed and trained to answer age diversity queries from line managers and employees alike
- the development of an RBS bespoke, interactive e-learning module for all employees
- syndicating with RBS colleagues from other jurisdictions to learn from their experience of age legislation (e.g. Ireland and the Netherlands)
- 'Masterclasses' designed to train HR colleagues to then utilise the materials to run workshops with their businesses presenting the business case for age diversity.
- External relationships and support were essential to the success of the project. Organisations such as the EFA and law firms, who facilitated networking with our major financial services competitors, provided much needed technical advice, examples of best practice and practical expertise to inform a number of the programme's workstreams.

RBS' Age Programme was successful in ensuring RBS complied with Age Regulations and in raising the profile of age diversity within the business. The programme provoked greater curiosity within the businesses on the role of age diversity, provided thought leadership on how to launch new policies in refreshing and engaging ways and created examples of good practice to other organisations.

Barriers

RBS effectively had to deliver 90 Age project milestones in a 9 month time period, engaging multiple stakeholders across the Group; including 8 large business divisions and 105,000 employees. This required a robust programme management and innovative approaches to communicate and engage key stakeholders.

- Communication: The challenge of communicating and actively engaging with 1400 HR staff needed a different and innovative approach. The programme team was keen to deliver communications in a way which was different from previous HR roll outs. Using a facilitated innovation 'greenhouse' approach with a variety of colleagues, ideas emerged including the idea of a 'podcast' style interactive presentation and teleconference - a recording of which could be accessed remotely for one month after launch in October 2006, with a scripted version available online as part of the Group's Diversity intranet pages.
- Severance: the main policy challenge. Deciding on the most appropriate and reasonable way to introduce a single service based severance scheme to replace the existing 9 schemes, which all contained age factors, in a way which minimised any negative impacts on employees. By benchmarking with other organisations through established networks and with the assistance of the EFA, taking legal advice and engaging actively with internal stakeholders to take particular account of anticipated organisational changes within the Group, RBS concluded that it would introduce a 9 month transitional period during which employees would have their severance calculated on current and previous terms and receive the better of the two before transferring to the service based arrangement. Delays in government advice posed further challenges in this policy area. Although RBS were eventually unable to agree changes the severance policy with their Union (they have continued to consult and communicate with Amicus on other key workstreams within the overall Age Programme) they now work with Amicus to manage and communicate with employees who object to the severance terms now in place.

Impact

In addition to the significant policy changes made, a number of benefits have resulted from the Age programme:

Building Awareness:

- through a multi-channel and tailored approach to communications and training, RBS were able to raise the awareness of the business case for age diversity, in addition to the impacts of the age laws on the organisation, amongst different employee groups
- an opportunity to highlight to employees the links across different policies (e.g. flexible working/benefits) as key ways to support a diverse workforce

Testing good practice:

- the Age programme facilitated a reassessment of the use of date of birth information as part of the recruitment process. The outcome of which was to move the position of the request for this information on our application forms and to explain more clearly why this data is

required, i.e. for diversity monitoring purposes and pre-screening identity checks – a key security requirement within financial services.

- For a number of years RBS has enabled employees to request to work beyond normal retirement age. The Age programme created the opportunity to assess the supporting process and make adjustments in light of the new regulations and the introduction of a new normal retirement age of 65. The support provided by Group policy advisers was also improved to better inform management and employee decisions.
- through active engagement with the HR community and the business, new issues came to light, for example as a result of the Age programme, RBS' Insurance Division reviewed their approach to apprenticeships and utilisation of government training schemes.

Policy Governance and Development

- Due to the thorough review of the Group's HR policies and practices, RBS was able to form a reasonable view on its compliance with the new Age Regulations based on internal and external information available, in the absence of substantial case law.

Monitoring

- Employee views and levels of engagement are measured in RBS through the annual global employee opinion survey – Your Feedback. This enables the business (at a Group and divisional level) to ask and receive feedback specifically on diversity related issues, to measure the levels of engagement across different employee segments (including age); and to explore issues which have the greatest impact on engagement levels.
- RBS human capital measurement tools also enable the bank to look at leadership effectiveness and correlations between employee engagement and business performance by employee segmentation (including age).
- Diversity data, including demographics, is gathered at Group level for monitoring purposes, e.g. the ages of candidates applying and hired by the Group.
- The Central HR Shared Services capability enables RBS to track impact areas, specifically the number of requests to work beyond normal retirement age and the reasons any requests are declined; the numbers of grievances or disciplinaries occurring related to age diversity, and the nature of employee and line manager queries.
- In the event that any age related cases result in litigation, through regular dialogue with our legal advisers RBS are able to track any underlying trends and issues behind live and closed cases so that appropriate responses can be formulated in partnership with the relevant business units.

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