

## INSIDE RBS: ELAINE ARDEN, CHIEF HR OFFICER, EXPLAINS HOW DIVERSITY AND INCLUSION IS PAVING THE WAY FOR A BRIGHTER FUTURE

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In times of change, maintaining momentum on diversity and inclusion can often be a challenging task for equality champions. In post-Brexit uncertainty, and with the Government placing considerable emphasis on gender equality this year, **Elaine Arden, Chief HR Officer at Royal Bank of Scotland** talks about the progress being made at RBS and highlights

how diversity and inclusion has been an important factor in developing their new culture.

Arden has spent all but two years of her career at RBS having joined the bank as a graduate trainee. She undertook a number of HR roles across the business before assuming the role of Group HR Director in 2010 and then being appointed to the Executive Committee in March 2014. She witnessed the events leading to the financial services crisis in 2008 and has been active in the bank's transformation. One important element of the bank's recovery has focused on the alignment of business and people issues. Arden explains, *"These changes have focused on ensuring that the right leadership is in place, that the bank's culture has been addressed, putting the customer first, improving the bank's balance sheet and significant restructuring has occurred to meet the future needs of the business. This means that rather than being a global bank, RBS has become a smaller retail bank focused on the UK and Ireland"*.

Underpinning leadership development and embedding the right culture is the bank's current approach to diversity and inclusion. Arden maintains that RBS was one of the first to sign up to the Women in Finance Charter, having already set itself a tough target on gender diversity. She explains: *"RBS examined its talent pipeline in 2014 (c.5000 roles, effectively the Board minus four levels) and found that 32% of roles were occupied by women. Having put in place a positive action approach to pulling through more women, this figure has improved to 44%. We also looked at the areas where these women were working and, in line with other sectors, found that some areas were well populated by female talent, whilst other areas were less so. So we set a target to have a minimum of 30% females at the most senior leadership levels within each business area by 2020, recognising that some areas are aiming for full gender balance in that timeframe. Further, we are aspiring to reach a 50/50 split in all parts of the Bank by 2030."*

A balanced scorecard was established with diversity as one key performance measure with leaders being tasked to concentrate on 'pull

through' from 3 levels down. Arden defines this as identifying your mid-tier staff, the women who will be pulled through the system and the names of these individuals. Alignment to customer needs is also important. As a consequence, 300 women have been identified, trained and deployed to work with SMEs specifically focusing on female customers who are growing their businesses with bank and customer networking events set up to support business development. In order for gender equality to succeed, Arden feels that it is important to get the basics right and she views gender pay audits as *"a driver for change, so it's important to embrace the opportunity"*. But she is at pains to point out that all facets of D&I are important. To demonstrate their allegiance to the Women in Finance Charter, the RBS 2015 Annual Report does actually set out their internal target, whilst the website clearly identifies Les Matheson, CEO of Personal and Business Banking as the Senior Executive responsible and accountable for gender diversity.

Early careers are a further way in which the bank seeks diverse talent and RBS aim for a 50:50 gender balance when recruiting both apprenticeships and graduates on campus. To support their customers, the bank uses professional examinations to set good leadership credentials and strong behavioural values with the focus on keeping leadership development highly practical. Clearly, this is a serious mission for the bank with the recent award of Platinum status by Opportunity Now and the appointment of the former Chair of RBS, Sir Philip Hampton, to a new independent board to encourage more women to assume board roles. This builds on the work previously championed by Lord Davies, to increase the number of Women on Boards within firms across all sectors in the UK.

So are there any nuggets as to how RBS has developed a good track record on D&I? Arden particularly feels that the power of true life testimonials can bring about real change. Many employees have shared their stories from mental health issues to personal health struggles to put into context 'moments that matter' and how these can be overcome in the work context.

It is therefore clear that RBS has created something dynamic through diversity by leveraging the different points of view of their people and customers. The **Women in Finance Charter** reinforces many of the positive steps being undertaken by RBS, provides a benchmark for good practice against other major financial institutions, but most importantly is part of a series of initiatives to pave a brighter future for careers within the bank.