

# Next Generation HR – Part IV

## HR's Role in Building a Purpose-Led Business at NatWest Group

March 16, 2021 03:00 PM CET [15:00] (Brussels)

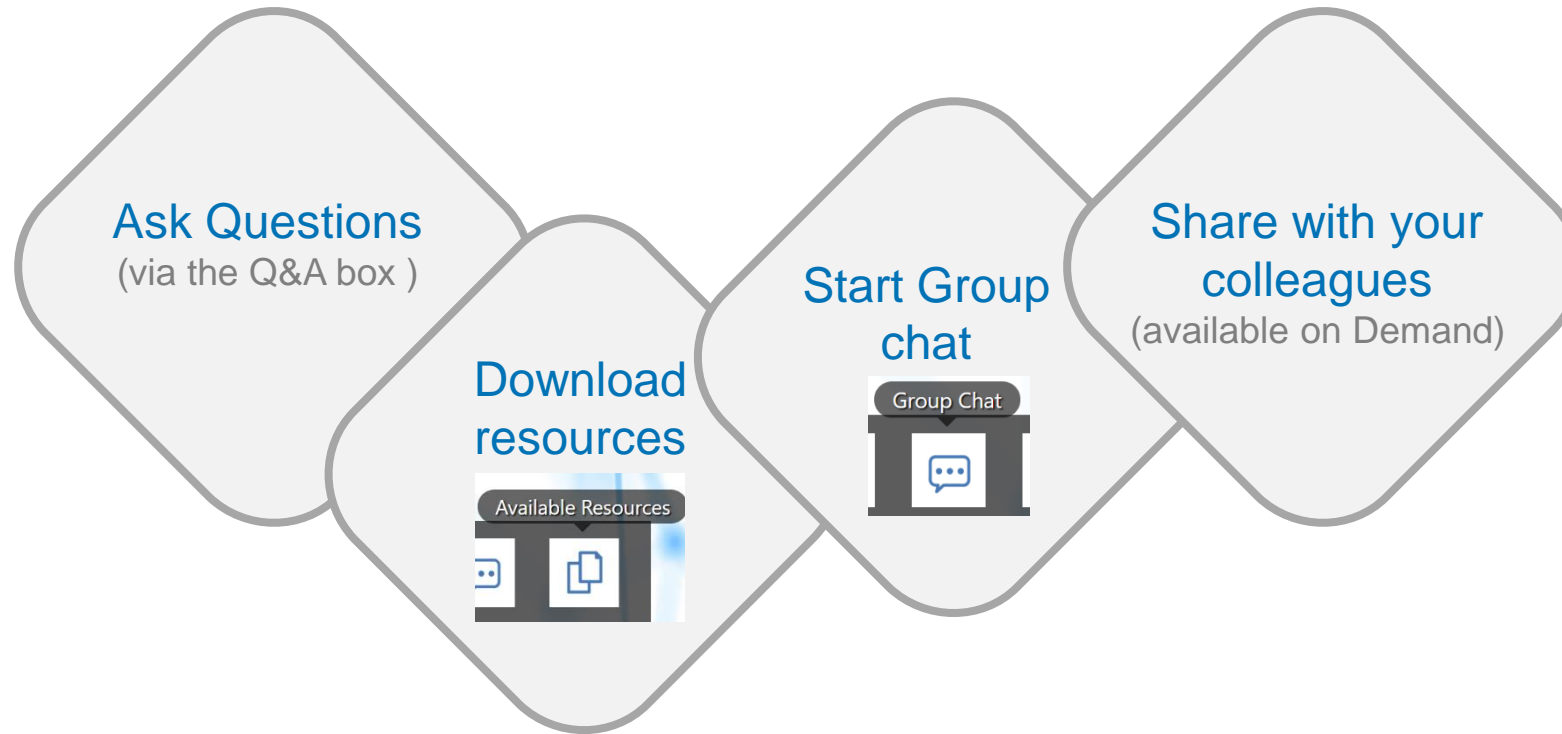
A background image featuring a dynamic splash of clear blue water. The water is captured in mid-motion, with several droplets and a main stream curving across the frame. The lighting is bright, creating highlights and shadows that emphasize the fluidity and clarity of the water.

NEXT  
GENERATION  
HR

Fluid & Adaptive



# Making the most of the webcast



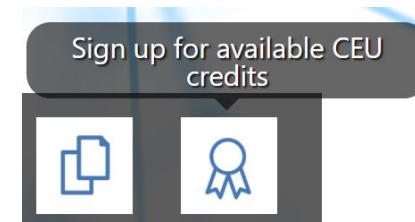
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## Panelists:



### **Greig Aitken**

Head of Colleague Strategy and Insight  
NatWest Group

[Bio](#)

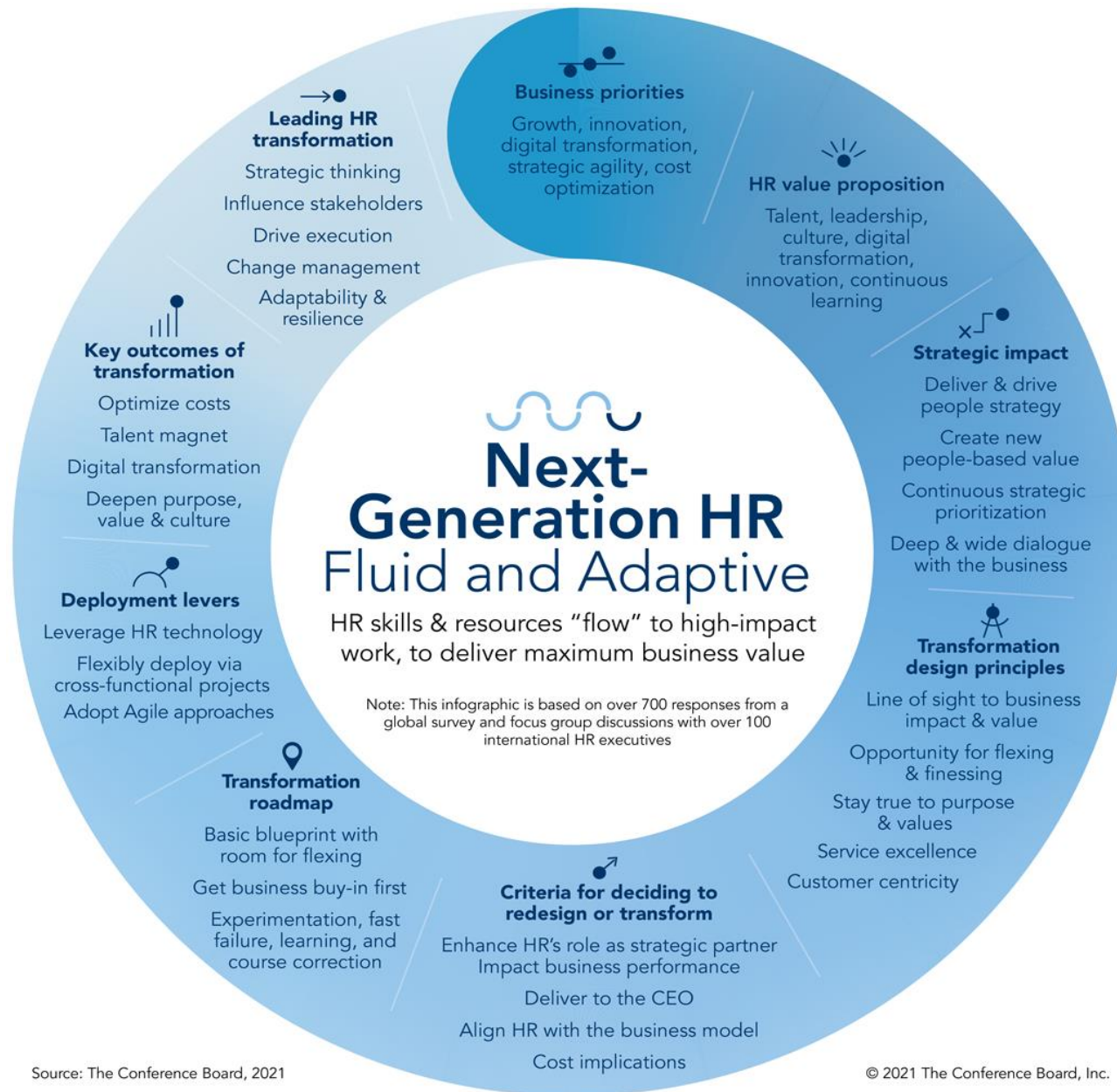


### **Marion Devine**

(Moderator)

Senior Human Capital Researcher, Europe  
The Conference Board

[Bio](#)



Source: The Conference Board, 2021

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<https://conference-board.org/topics/next-generation-HR/Next-generation-HR-infographic>

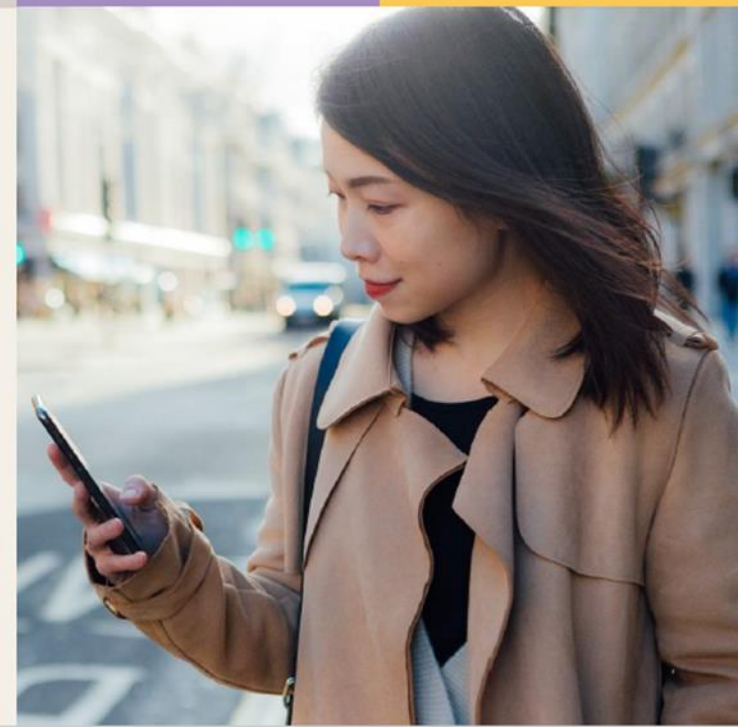




# Next Generation HR

HR's role in building a purpose led Business at NatWest Group

Greig Aitken, Head of Colleague Strategy & Insight, NatWest Group



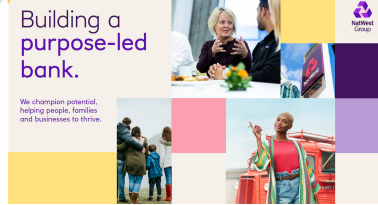
## Building a purpose-led bank.

We champion potential, helping people, families and businesses to thrive.



## Our Purpose

- What is it
- Video
- 2021 plans



## HR Function

- Shape
- Strategy
- Q&A



## Tracking progress

- Colleague listening & engagement
- Support Purpose
- 8 Pillars

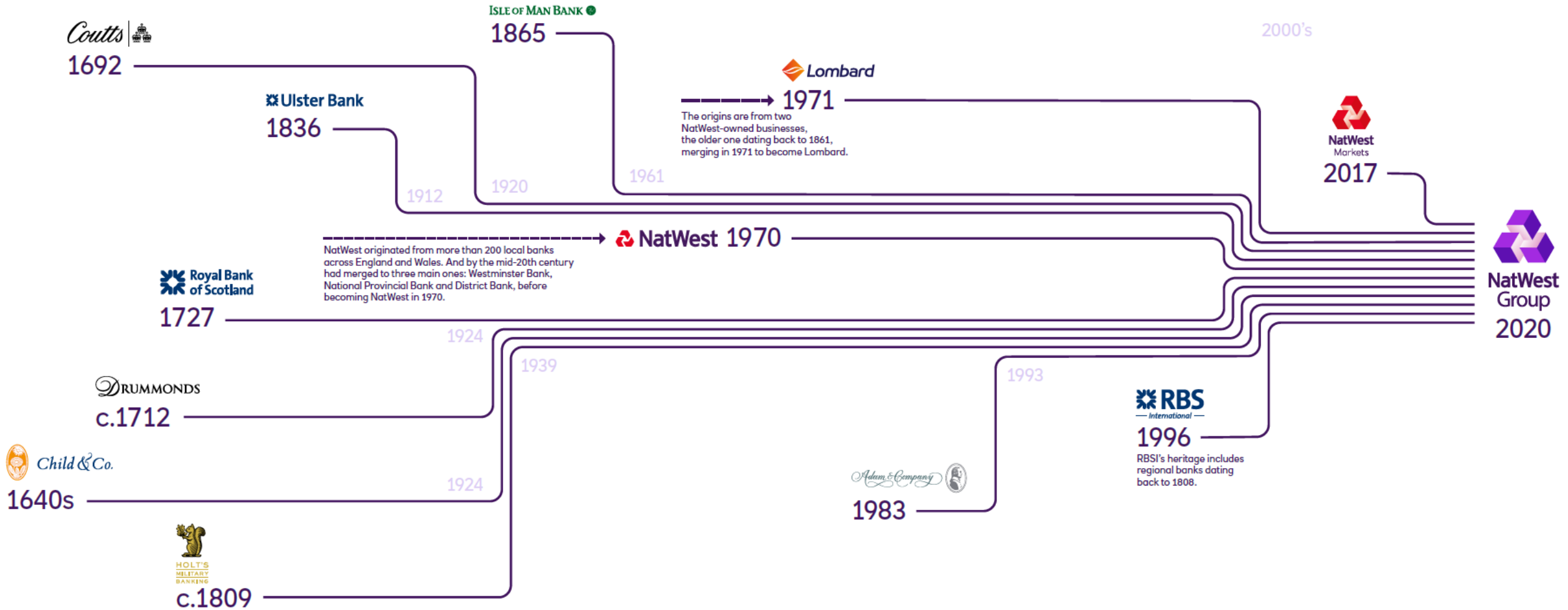


## Impact

- Goals & targets
- Impact on business performance
- Q&A



A purpose in the making .... from 1640

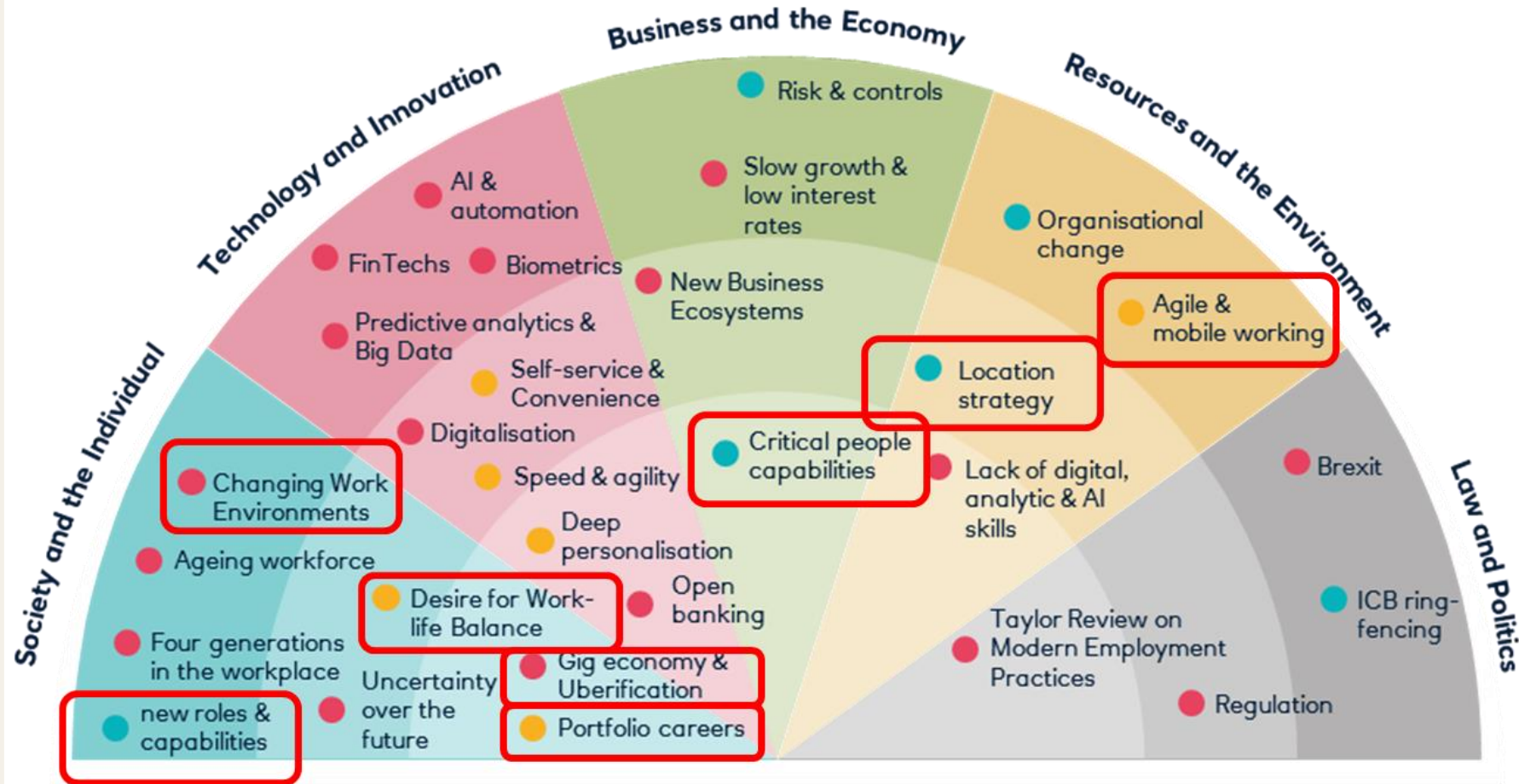




# Change is accelerating new ways of working



COVID-19 has accelerated a pre-existing trend in “ways of working”..... Remote, work/life, flexible and agile



# Regulatory focus on “purpose”

The UK’s Financial Services regulator, the Financial Conduct Authority, has highlighted the importance of purposeful cultures and the business of social purpose in member institutions.



The screenshot shows the FCA website page for the article "FCA encourages firms to develop purposeful cultures". The page includes the FCA logo, a search bar, and navigation tabs for "About us", "Firms", "Markets", "Consumers", "News", and "Publications". The breadcrumb trail is "Home / News / FCA encourages firms to develop purposeful cultures". The article title is "FCA encourages firms to develop purposeful cultures". Below the title, it says "News stories | First published: 05/03/2020 | Last updated: 05/03/2020". There are icons for "Print Page" and "Share page". The main text reads: "We have published a [discussion paper](#) on driving purposeful cultures. The paper is a set of essays which present a range of views from industry leaders, professional bodies and culture experts to help firms embed purposeful cultures." Below this, there are two paragraphs of text: "The paper makes the case for healthy purposeful cultures in firms, leading to good outcomes for their customers, employees and investors. The FCA describes purpose as what a firm and its employees is trying to achieve - the definition of what constitutes success." and "Transforming culture in financial services is a priority for the FCA and should be for firms too. The FCA is tackling this in multiple ways, including making diversity and inclusion the norm and eliminating sexual harassment and other unhealthy practices from the workplace. But we recognise that there are barriers to creating and maintaining healthy, purposeful cultures including fear of shareholders' short-term profit expectations and fear of the regulator itself. The contributors to the paper set out how leaders in financial service might go about overcoming these barriers and embedding purpose in their organisation."

The screenshot shows the FCA website page for the speech "The business of social purpose". The page includes the FCA logo, a search bar, and navigation tabs for "About us", "Firms", "Markets", "Consumers", "News", and "Publications". The breadcrumb trail is "Home / News / The business of social purpose". The article title is "The business of social purpose". Below the title, it says "Speeches | First published: 26/11/2020 | Last updated: 26/11/2020". There are icons for "Print Page" and "Share page". The main text reads: "Speech by Jonathan Davidson, Executive Director of Supervision – Retail and Authorisations, given at the 6th Annual Culture and Conduct Forum." Below this is a portrait of Jonathan Davidson. The text below the portrait reads: "Speaker: Jonathan Davidson, Executive Director of Supervision - Retail and Authorisations", "Event: The 6th Annual Culture and Conduct Forum for the Financial Services Industry", "Delivered: 26 November 2020", and "Note: This is the speech as drafted and may differ from the delivered version". Below this is a section titled "Highlights" with a bulleted list: "Culture remains a key area of focus for the FCA.", "During the coronavirus (Covid-19) crisis, financial services firms have supported consumers, and been part of the solution rather than the problem, providing an opportunity to rebuild trust in financial services moving forwards.", "While coronavirus might be the most immediate challenge firms are facing, it isn't the only one – the need to break barriers around diversity and inclusion, and climate change and sustainability are key challenges that also require urgent attention.", "Firms with healthy cultures – cultures that are purposeful, safe, and support environments that are diverse and inclusive – will be better placed to tackle these challenges.", and "The financial services industry has the opportunity to make real progress, driven by social purpose."

The image shows the cover of the FCA Discussion Paper "Transforming culture in financial services: Driving purposeful cultures". The cover features the FCA logo at the top right. The title "Transforming culture in financial services" is prominently displayed in a bold, dark font, with the subtitle "Driving purposeful cultures" below it. The text "Discussion Paper DP20/1" and "March 2020" is located in the lower left corner. The cover has a dark purple background with a lighter purple diagonal stripe on the right side.



NatWest  
Group

# NatWest Group Video

# Building a purpose-led bank.

We champion potential, helping people, families and businesses to thrive.



# NatWest Group purpose & strategy

NWG Purpose underpinned by values

The purpose-led strategy and key areas of focus

Partnership with “Blueprint for Better Business” - focusing on how NWG can be honest and fair with customers and suppliers, a good citizen, a responsive and responsible employer and a guardian for future generations.

We serve 19 million customers and support 1 in 4 business customers in every region in the UK and Ireland.

Being purpose-led is about balancing the needs of all our stakeholders and not avoiding the tough decisions. It is about accepting and recognising the difficulties and challenges, and bringing the right people into decision-making.

## Our strategy

Our strategy is to deliver on our purpose and drive sustainable returns to shareholders through four strategic priorities.



## Areas of focus

There are three focus areas of our purpose where we can make a meaningful contribution to our customers, colleagues and communities.

# Look ahead to 2021.

We know that people are facing challenging times ahead and there is still much we need to do.

We are committed to embedding our purpose at the core of our business allowing us to make a positive contribution to society, working with and alongside our stakeholders.

By championing potential and helping people, families and businesses to thrive, we will succeed together, enabling NatWest Group to deliver sustainable, long-term returns to shareholders.

## As we continue on our journey to being a purpose-led bank, here are some of our commitments for the year ahead:

Take a lead in the fight against **climate change** as we gear up for COP26.



We are deepening our work in understanding and supporting **diverse local communities**, both through internal research and via external partnerships.



Support our colleagues by launching a new **Talent Academy** open to all employees in all locations.



We recently announced a further £1 billion in funding to **support female-led businesses** recover from the disruption caused by COVID-19.



## We will continue towards our longer-term targets on:

### Enterprise



Help create an additional **50,000** businesses by 2023, by inspiring and supporting **>500k** people.

**60%** female-led.

**20%** Black, Asian and Minority Ethnic led.

**75%** outside London and SE.

### Learning



**2.5m** people reached each year to improve their financial capability.



**2m** additional customers helped to start saving by 2023.



**100%** of frontline colleagues professionally qualified within first 18 months in role.

### Climate



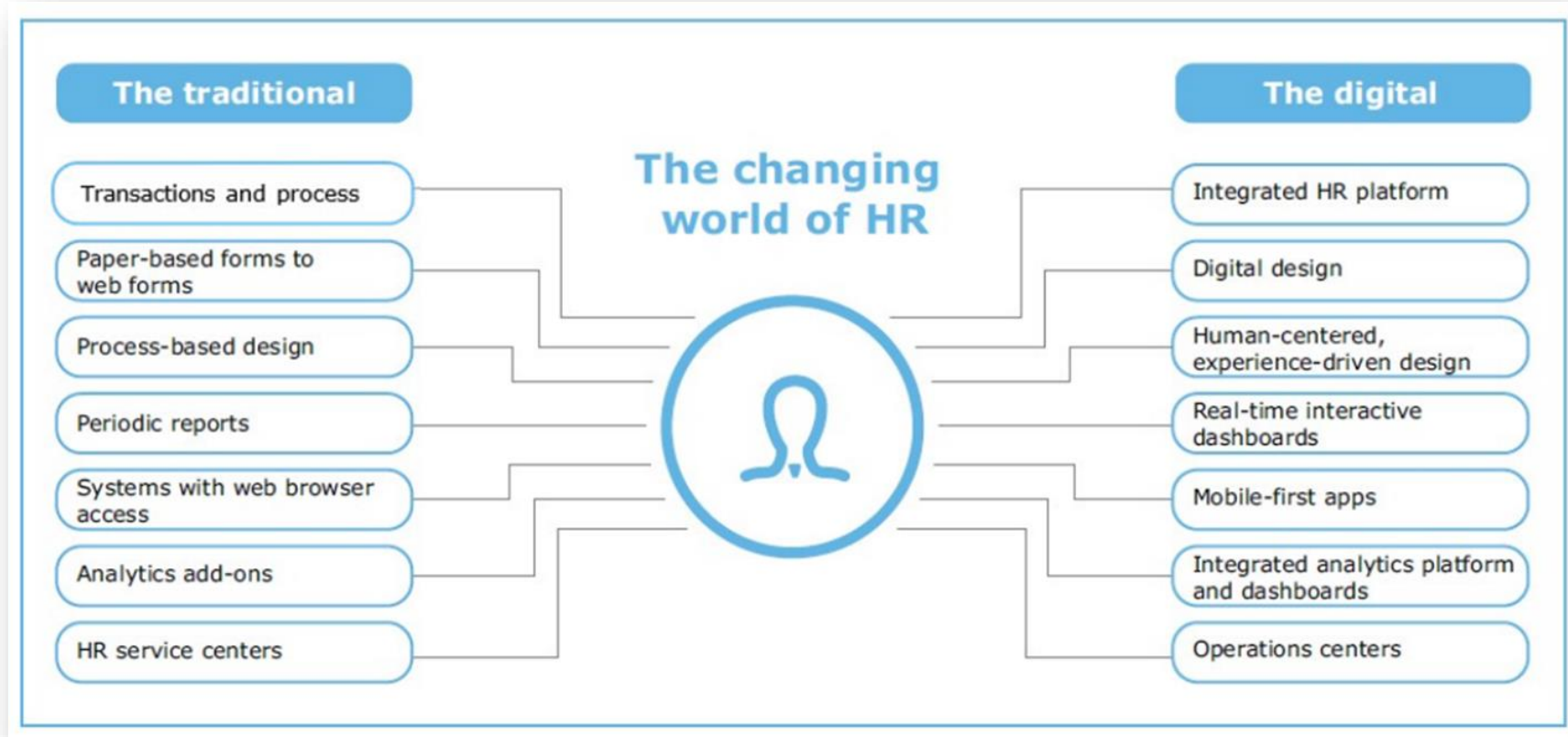
**At least halve** the climate impact of our financial activity by 2030.



**£20bn** additional funding and financing for climate and sustainable finance. We expect to exceed our £20bn target during 2021.



Make our operations climate positive by 2025.



Source: Deloitte



Royal Bank of Scotland   NatWest   Ulster Bank

Coutts   Adams & Company   DRUMMONDS

# Creating a great place to work

Child & Co.   HOLT'S   Lombard

RBS International   ISLE OF MAN BANK   NatWest Group

## Future organisation

An organisation designed to serve customers well and meet our regulatory & financial requirements.

## Building a healthy culture

A healthy culture of engaged people determined to make a difference.

## Digital HR

Simplified HR services & policies delivered through a range of digital channels

## Building capability

The right people with the right capabilities to serve customers well.

## Great people managers & leaders

Colleagues led and managed by great people managers and leaders who care about them.





NatWest  
Group

# Q&A part 1

# 8 pillars of our Colleague listening strategy



An integrated suite of bank-wide tools to support colleague listening and eliminating duplication

NatWest Groups 8 pillars of colleague listening





NatWest  
Group

## Measure what matters, not everything that moves

Our Listening and engagement approach ensures a focus on providing robust and future focussed measures to support leaders make informed people decisions.

### Key Measures

- Leadership Effectiveness
- Psychological Safety
- Team Effectiveness/Agile
- Ways of working (remote teams)
- Learning organisation/coaching academy
- Transformation inc. Pace & simplification
- Comms Effectiveness
- Reputation & Advocacy
- Risk Culture
- FCA/Compliance – safe to speak up
- People pledge assessment
- Purpose Commitments
- Coaching for performance

### Strategic Measures

- Purpose
- Culture
- Inclusion
- Building Capability
- Engagement
- Colleague Experience



## Senior leader targets

Embedded in the annual performance goals are “people and culture” performance goals for senior leaders.

Core area and purpose	Performance Goals for 2021	Measures for assessing pre-grant performance leading to 2022 LTI awards	Targets	
<b>Scorecard</b> <i>People &amp; Culture</i>  Purpose alignment <i>A responsible and responsive employer</i>	Build the capability of our colleagues to realise their potential.	Based on achieving the capability targets for NatWest Group and NWH Group as measured through the NatWest Group ‘Our View’ colleague survey.	NatWest Group to be 15 points above and NWH Group to be 16 points above the Global Financial Services Norm*.	
	Build up and strengthen a healthy culture.	Based on achieving the culture target for NatWest Group and NWH Group, as measured through the NatWest Group ‘Our View’ colleague survey.	NatWest Group to be 7 points above and NWH Group to be 8 points above the Banking Standards Board Norm*.	
	Embed our shared purpose across the business and brands.	Based on the Banking Standards Board assessment and achieving the shared purpose target for NatWest Group and NWH Group, as measured through the NatWest Group ‘Our View’ colleague survey.	NatWest Group and NWH Group to be 6 points above the Banking Standards Board Norm.	
	Develop a diverse workforce and inclusive environment.	Progress on the number of women in senior roles across the top three layers of NatWest Group.		To increase the percentage of females in the top three layers of NatWest Group from 39% to 40% on aggregate.
		Progress on the number of Black, Asian and Minority Ethnic UK employees in the top four layers of NatWest Group.		To increase the percentage of Black, Asian and Minority Ethnic UK employees in the top four layers from 10% to 11% on aggregate.
		Based on achieving the inclusion index target for NatWest Group and NWH Group, as measured through the NatWest Group ‘Our View’ colleague survey.		NatWest Group and NWH Group to be 13 points above the Global Financial Services Norm.

\*Willis Towers Watson’s Global Financial Services Norm. The Banking Standards Board Norm is based on the average score across all participating banks.

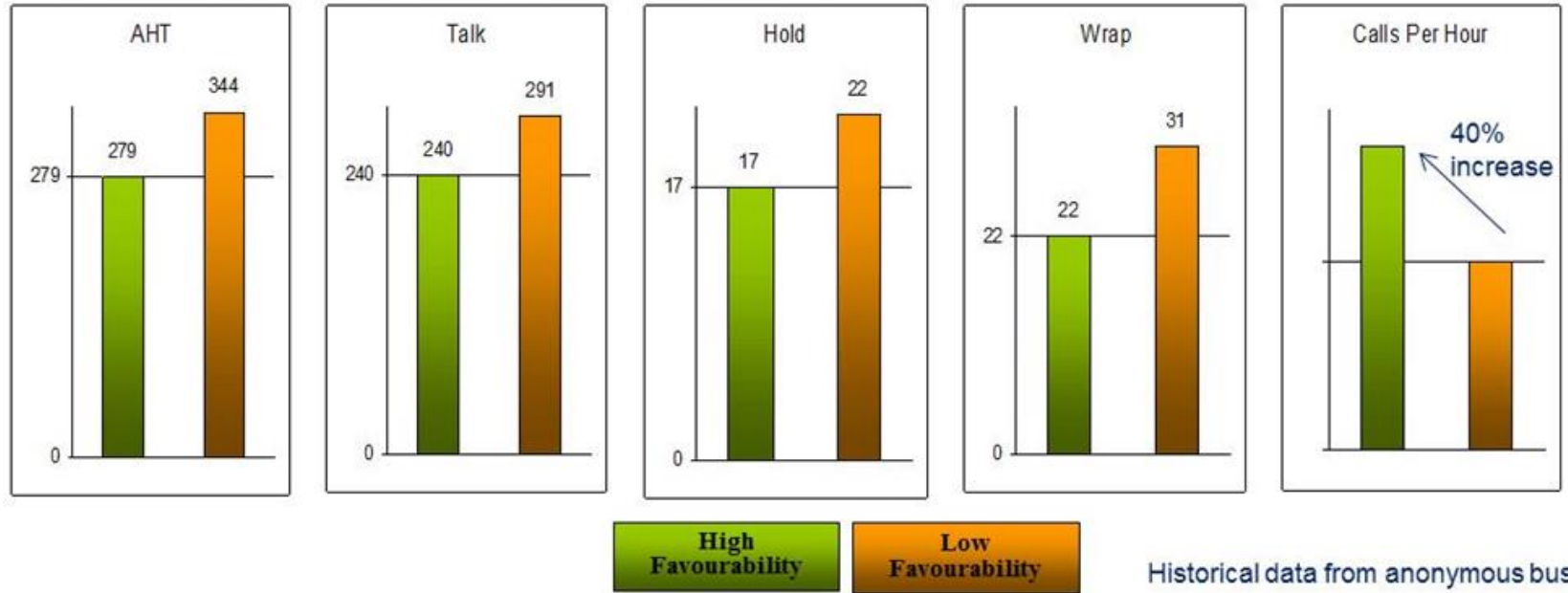
Enabling Business Performance is an initiative that connects people and business insight to track performance (on-premises or remote)

Our insight identified 7 areas of employee performance that showed a significant, consistent positive link with business and customer performance metrics.

These measures were Leadership Index, Engagement index, Customer Focus, Image and Competitive position, Managing People and Change, Efficiency and Innovation together with Performance Management and Development.

When mapped to lead business metrics within the contact centres such as average handling time, call time, hold time, call wrap time and calls per hour, the 3 centres with the highest score across the 7 people measures outperformed all the remaining centres consistently in business output.

Performance is higher in units with more favourable employee opinions.



Historical data from anonymous business unit

Translating people data into insight is essential


Joining it up with business metrics will have the greatest impact.

Great customer service is underpinned by highly engaged staff and great leaders



Business Units	Customer Service	Engagement	Leadership	Turnover	Sales
Top 10%	94%	71%	82%	0%	115%
<p>High performing business units (above) have exceptionally high leadership and employee engagement scores as well as near-zero% turnover. This delivers significant outperformance in service and sales.</p>					
Bottom 10%	75%	44%	51%	15%	91%

Business Unit Anonymised

 Equal to or greater than median

 Less than the median



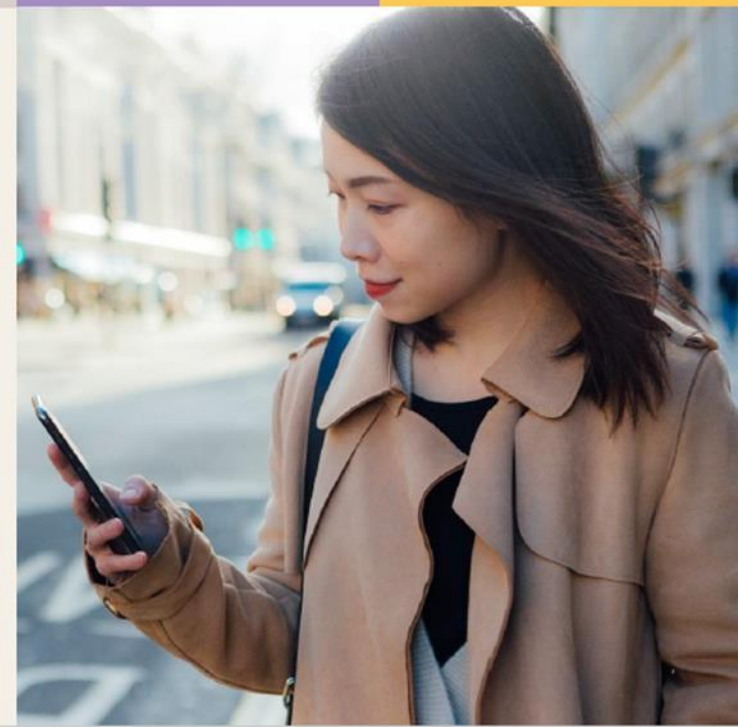


# Thank You

Greig Aitken, Head of Colleague Strategy & Insight, NatWest Group



[www.linkedin.com/in/greigaitken/](https://www.linkedin.com/in/greigaitken/)





## Fluid HR: “Tight-Loose” Dynamic

- A **“tight” strategic alignment** between the business and people strategy
- And a **“loose” deployment**: a flexible HR structure to ensure the right combination of skills and resources “flow” to wherever they



## Webcasts

Upcoming *Next Generation HR* webcasts:

[Tetra Pak's HR "metamorphosis" to world class performance](#)

20 April 2021 – 15.00CET

Previous *Next Generation HR* webcasts

[The Move to Agility and Agile, JTI](#)

[Novartis Gets Curious: Transforming Learning](#)

[Bayer's HR Transformation: "HR Next"](#)

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