

CASE STUDY: Changing Culture at Standard Chartered Bank

THE CHALLENGE

How to capitalise on an institution's heritage while evolving into an agile modern organisation? Today's volatile and complex global environment demands new leadership capabilities – the ability to manage conflicting demands under conditions of extreme ambiguity, to weld together a coherent and focused international organisation whilst respecting regional diversity, and to motivate staff unmoved by older hierarchical approaches. Facing these challenges was Standard Chartered Bank, a large and long-established international bank specialising in developing markets with a strong multicultural tradition, that employs over 30,000 people in 615 offices across 57 countries.

OUR RESPONSE

In 2000 Mervyn Davies, then the executive director with responsibility for technology, and who subsequently became the CEO of Standard Chartered Bank, turned to Saïd Business School and to Ron Emerson (a former senior executive of the bank who is now an Associate Fellow of Saïd Business School) to develop a series of complementary programmes.

Key to the approach adopted by Oxford was placing the participants in the position of 'reflective practitioners': to give them the opportunity, tools, and often the new language, to see their business challenges in a new light – to reframe the challenges and opportunities so that new approaches could be developed. There was a need to see management as a continuing journey of renewal and leadership:

as the ability to navigate that journey while still providing directionality and control.

The first programme, *The New Business Partnership*, addressed an immediate problem facing the bank: integration had become a key issue, especially of IT with overall strategy. It was becoming evident that the Bank's technology and business departments were frequently failing to communicate effectively with each other.



Ron Emerson

"The SCB managers who came on this course were very much in two silos – IT and business," says Emerson. "We had to get them to break down these barriers. It was not so much swapping each others' skill sets but learning that boundaries were really matters of attitude and behaviour."

The programme, attended by one hundred of the Bank's top IT and country directors in its first year, proved a great success. This was followed by a series of Leadership Workshops, attended by 300 of the Bank's top management, including Board members, exploring broader issues of leadership, communication and personal development. These workshops continued to accentuate specific strategic business challenges but placed

greater emphasis on the personal challenges involved in delivering them. So there were two themes running throughout the week – the collective challenges and the individual challenges.

Building on the success of the Leadership Workshops, in 2004 Oxford launched a series of week-long General Manager programmes for the bank, co-directed by Ron Emerson and Kunal Basu, Fellow in Strategic Marketing, which have now been running for over five years. More functional and topic-based than the leadership workshops and aiming to link theory to practice, they target SCB's middle managers.

Oxford also facilitated a complementary development: the Strategic Thinking Workshop, directed by Keith Ruddle, Fellow in Leadership, Organisation & Change at Saïd Business School. This workshop was unique in bringing together a consortium of senior managers from Tesco, BP, KPMG, Prudential and Standard Chartered for three days' frank exchange of experience, facilitated by academic experts and specialists. "We believe this broke new ground," comments Ron Emerson, "given the degree of intimacy of the information exchange at this level of seniority that was achieved."

THE LEARNING EXPERIENCE

The programmes drew on a variety of disciplines. They introduced academic ideas from complexity theory and scenario-building. There was extensive use of group work in syndicates to sharpen the focus further, as well as participants working on their personal agendas.

Participants worked on problems such as the effective deployment of information systems and the successful development of customer relationships. At the same time they were also exploring larger strategic challenges – what would be the shape of banking and finance in ten years' time, how to build a high performance organisation, how to 'win the war for talent' by empowering the younger generation and women in the bank.

The individual executive was very much at the heart of workshops. The workshops set out to help participants to confront their deepest fears and desires about themselves, their careers and their potential. In advance, the bank had carried out detailed psychometric profiling of participants to identify strengths and areas that would benefit from further development and guidance, and during the workshops participants were encouraged to experiment with deeper and richer modes of expression and communication.

"Organisations often see things in terms of conflict and the consequent need to suppress it," says Emerson. "We gradually moved people down a path towards 'appreciative enquiry' – that drags into the light unconscious biases and value judgments, and results in agreements that are not just battles lost or won but genuine re-alignments. In the end it is about whether we are having the right conversation."

The goal, according to Emerson was to cultivate among participants ‘a new but robust vulnerability’. “There is nothing wrong with asking for help. Far from being a sign of weakness it is what good leaders do automatically. They have natural self-awareness and surrender themselves – within controlled limits – to those who are good at doing what they themselves cannot or do not want to do.”

EFFECTIVE TRANSFER FROM THE CLASSROOM TO THE WORKPLACE

A key output by the end of the week was that participants developed a personal agenda for action when returning to the office. This was tied into a detailed programme used by the bank, which involved personal coaching to help participants implement their personal action plans, some of which called for some ‘courageous conversations’. The latter stages Emerson views as especially vital: “The great fear with management programmes is that ultimately nothing happens. So we work a lot on how the programme will actually make a difference when people go back to the bank.”

LASTING RESULTS THROUGH REAL PARTNERSHIP

While Emerson counsels against ‘instant fixes’ and warns that changing embedded organisational cultures takes time, reactions to the programmes have been overwhelmingly positive. One manager described the programme in which he participated as ‘the most productive seven days of my professional career’. Another commented that he was ‘still living on the oxygen’ of this experience

a year after attending. Surveying the overall contribution of the SCB programmes, Mervyn Davies, former Group Chief Executive and Chair, concluded; “I would describe our relationship as a real partnership. We have developed a number of programmes with Oxford. The key to their success has been relevance, timeliness and quality of content. They change as the organisation changes. Oxford’s ability to evolve with us is one of their greatest strengths.”

Emerson echoes these comments: the degree of cooperation between Oxford and SCB in designing programmes, both at the initial stages and as they evolved was critical. “It was very important as the company’s agenda moved on that programmes should adapt accordingly. Although several themes remain constant, we have never run two programmes exactly the same: changes are made as the organisation’s strategy evolves. We do not apply a ‘cookie-cutter’ approach.”

“At the same time we keep the traction on reality, combining new ways of thinking with SCB’s actual context. We like to think of ourselves not as a supplier but as a partner in their self-renewal.”

Emerson sees the SCB – Oxford relationship as a new business model: “It is like a new and sophisticated form of outsourcing. We work externally but have the same commitment and knowledge as internal employees. To them, hopefully, we feel like an in-house resource: we just happen to work elsewhere. It is a classic example of the way organisations need to work now.”

THE VERDICT

“I was totally blown away.”

An executive participant.

“We are delighted. It is difficult to combine an innovative approach to learning with a multinational, multicultural group of business managers but Oxford has done just that and has provided us with a thought-provoking programme which is already having an impact on our business.”



Former Group Chief Executive and Chair, Mervyn Davies.

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