

Motivating through Total Reward

Brief case study

Introduction

The Royal Bank of Scotland Group (RBS) is one of the largest financial services companies in the world. It provides a range of services including banking and insurance. The RBS Group operates in Europe, the US and Asia, serving more than 36 million customers world-wide. It employs more than 140,000 people.

Roles

As a major company, RBS needs to recruit the best employees it can. RBS is a leading employer and therefore offers a range of great job opportunities. People can start their working life by joining from school or from university. There are many types of job available, for example, working in a branch of the bank, or at head office in roles like marketing or sales.

Motivation

What is it that makes people want to work harder than others? Some key theories are:

- * Taylor and 'scientific management'. This theory said that every job could be measured by the amount of work done or the number of pieces made (this is known as the 'piece rate'). Workers would work harder because they would earn more.
- * Herzberg and the 'two factors'. Herzberg's theory showed that certain motivation factors needed to be in place first. These were called 'hygiene' factors, for example, a clean workplace and good basic pay. Only once these were in place could other factors be brought in to motivate workers. RBS uses a number of factors to motivate its people. These include recognition for a job well done, opportunities for promotion and other rewards.
- * Maslow and the 'hierarchy of needs'. This theory showed that workers had to have their basic needs, such as feeling safe and secure, met first. Only then could they move on to be motivated by other things. However, RBS believes that meeting these higher needs, for example, by recognising achievement, will motivate employees and help the company to grow. It has put in place a number of benefits to meet these needs.

Total Reward

RBS has a special benefits scheme called Total Reward. At the core of the scheme is good basic pay. RBS also provides many flexible benefits in areas like health cover, pensions and childcare. It uses this as part of its strategy to motivate employees. In addition to these benefits, every employee is set targets. These are measured to see how well he or she is doing. Employees can earn a bonus if their targets are reached. There is also a profit-sharing scheme. All employees are paid a bonus of 10% if the company as a whole does well. RBS also supports community projects and charities that its people care about, for example, the NSPCC and youth charities. It does this by trebling any money the employees raise.

Work-Life Balance

RBS knows that it is important to have a good work-life balance. This is the trade off between time spent at work and time spent outside of work. RBS employees have the opportunity to work more flexibly. The RBS 'Your Time' programme also helps by recognising that employees may need time off work for reasons other than sickness. They may want to spend more time with their family or perhaps take a career break to go travelling.

Conclusion

RBS knows its employees are its future and rewards and encourages them. It provides a world-class employment package of benefits for every employee, at every level. In RBS, motivation theory comes to life.