Building a Culture to Encourage Experimentation at DBS

STRATEGY
IMPLEMENTATION
INSTITUTE

Goal

As part of its digital transformation DBS Bank, Singapore, set about creating a culture of innovation-driven partly by a new openness to experiment.

Implementation Challenge

The culture of the bank has been very traditional with senior leaders addressed by their surname and title. With silos between departments and employees working in cubicles.

What Needs to Change

To support the digital transformation the leaders recognized the organization's culture had to change to not only support and encourage employees but for them to feel psychological safe.

CASE STUDY

In this article, we discuss the culture change in DBS Bank, which has been recognized as the best bank in the world.

> **How do we make dealing with DBS easy, fun, convenient, and meaningful?**

DBS Bank, Singapore has been recognized for the third year in a row as the world's best bank. Under the stewardship of Piyush Gupta, the bank transformed from a traditional to a digitally-driven organization and it's been recognized by the most prestigious banking awards as well as one of the top ten digital transformations of the last decade by Harvard.

In 2014 the bank had set the audacious goal of being recognized as the best bank in the world by 2020. After the global financial crisis in 2008, many people started distrusting banks and even called banking "painful."

The question the leaders addressed was not "what did the bank want to do?" but "how do we make dealing with DBS easy, fun, convenient, and meaningful?"

Then people would be able to see the kind of good the bank did for businesses and individuals as well as the value it added to society. The team migrated toward making banking the opposite of painful—that was, to Making Banking Joyful.

Due to the emergence of numerous technologies, the means for Making Banking Joyful was rapidly evolving. DBS leaders recognized that, by leveraging new technologies, they could make banking "invisible" to their customers. That would, in turn, create opportunities for customers to have enjoyable interactions when dealing with the bank and, ultimately, to experience a sense of happiness and peace of mind throughout their banking journey.

A key component of the "Making Banking Joyful" strategy was encouraging employees to experiment to find better ways of serving customers and themselves.

In other industries, this may not be a dramatic occurrence but bankers have been traditionally taught to mitigate risk, and experimentation is about taking risks. Therefore, asking employees to experiment was counterintuitive to everything they had been taught. The challenge was to change the thinking in the bank.

As the bank set about understanding and improving what its customers wanted, it developed a culture of innovation-driven partly by a new openness to experiment. Rather than focus on creating products, employees experimented with various options so they could identify the best solutions for their customers.

> To eliminate the fear of failure and create a safe environment to experiment in, the bank based its approach on the concept of psychological safety.

The concept of psychological safety has been developed by Amy Edmondson, Novartis Professor of Leadership and Management at Harvard Business School. To reinforce that employees were safe to experiment and fail the bank created the Dare to Fail award.

Also, the leaders had to lead by example and set the right expectations. They started by not holding employees accountable for every last piece of success. This encouraged people to participate in changes at any level and be recognized for trying. It also unlocked their energy, creativity, and imagination. This proved particularly effective in areas such as customer journey and data transformation.

The leaders also recognized how fear of failure could impede innovation and realized that some experiments needed to fail before success could happen.

Thousands of experiments now take part across the bank every year-end employees have been spurred to pursue new ideas in a safe environment. Some of the examples of experiments are: :

- Branchless Bank

The bank adopted hackathons within the first 12 months proper launching the digital transformation as one of the approaches to encourage experimentation and innovation. From the very first hackathon came the suggestion to create a branchless bank in India where a customer could open an account within 90 seconds. Digibank demonstrated what the bank could achieve. It changed employee mindsets, created digitalization success stories, and expanded the bank's capabilities.

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- SPARKS – online mini-series

By embracing the spirit of a start-up culture and a desire to experiment, the marketing team created a miniseries to convey relevant customer stories in a touching manner.

Sparks required a completely new way of thinking about marketing. The two seasons of Sparks have garnered 276,000 million views and 50 million engagements. It has also influenced close to 10 percent of the inquiries the bank has received online; for example, it generated 40 percent more visits to DBS's home page in 2020 over 2019. Because people think Sparks is cool, it's also helpful as a recruitment tool.

- Virtual Reality at Branches

This experiment introduced virtual reality (VR) for customers. When they put on VR goggles, they were immersed into their desired lifestyle 20 years into the future so they could calculate how much money they needed to save for retirement. The experience guided them through four key expenditure lifestyle areas that included dining, transportation, travel, and household. They could then calculate the retirement funds they needed to achieve their desired quality of life and start working toward their goals.

- Video Teller Machines (VTMs)

In 2019, the bank rolled out Singapore's first video teller machines (VTMs). These machines provided a private booth for customers to do transactions through the machine. Alternatively, they could receive face-to-face assistance from a bank teller located in a central operations area rather than at a bank branch. The 24/7 VTMs are able, for example, to replace bank cards and security tokens.