

---

# Banking on Russia's future



By [Grace Segran](#)

**‘Russian management’ may seem like a conflict in terms to some cynics in the business world, but a new programme for the region’s largest bank created by INSEAD and the Moscow-based New Economic School is changing all that.**

Founded in 1841 by Tsar Nicholas I, Sberbank is a remnant of Old Russia. It is also an integral part of Russian culture, a place where grandmothers, or babushkas, feel comfortable saving their money. For many years, it was Russia’s only bank. What does it take for a bank with so much tradition and history to enter the 21st century and remain competitive? Answer: management education.

“With an influx of alternative banking choices in the Russian market, Sberbank needs to adapt to new financial realities if it wants to remain competitive. The entire success of the bank depends on whether the top and middle management of the bank is up to the task,” Sergei Guriev, the dean of the New Economic School and a member of Sberbank’s board, told INSEAD Knowledge. Sberbank is keen to be part of the international financial scene and has already started buying banks outside of Russia. To further this goal, the bank has engaged INSEAD and the Moscow-based New Economic School

to produce a sophisticated training programme tailored to the growth objectives of the bank's executives.

## **Large scale executive programme**

Developing an executive training programme is an ambitious undertaking for a company with a quarter of a million employees stretched out over nine time zones. Five hundred managers a year were selected to participate in the first year of the programme which is carried out entirely in the Russian language. While this may sound like a large number of participants, it is all relative, says Guriev. "For some other organisation it sounds like a lot of managers but for Sberbank, it is only a small step in bringing together the top management which counts for thousands of people rather than hundreds of people. We really need to run this programme for a few years in a row to ensure there is a critical mass of people that can make an impact within Sberbank."

The format of the programme involves three week-long face-to-face modules in Russia, while the rest of the programme takes place virtually with faculty broadcasting lectures from the INSEAD campuses in Singapore or Fontainebleau. INSEAD professors teach six management courses, while professors from the New Economic School teach economics and finance.

## **Wholly Russian**

Although INSEAD is fortunate to have several Russian-speaking faculty who can participate in this project, it is still a huge challenge to create a course for a Russian-speaking audience. Serguei Netessine, INSEAD Professor of Technology and Operations Management who teaches in this programme told Knowledge: "It is a monumental effort. We translate everything: videos, cases, books, homework. We have a Russian language portal where we answer questions in Russian and our coordinators have to answer questions in Russian."

Guriev says it is INSEAD's international outlook that makes it an ideal partner. "INSEAD is interested in venturing into institutions outside Western Europe," he says. "Not only does INSEAD have a diversity of students, but INSEAD also has faculty from countries all around the world. It is very hard to find another school that would be so excited about a project like this."

# Paving Russia's path ahead

According to Guriev, "Sberbank is the main female employer in the country. But at the top, it is very male dominated." There are few women on the bank's board of directors and within top positions. The executive management programme has the potential to give women the tools they need to rise within the organisation. Women form over a third of the students in Sberbank's training programme. "This programme is opening an opportunity for hard-working women, of which there are plenty in this bank, to move up the ladder," he opines.

With developments such as these, Sberbank appears to be leading the way for other businesses in Russia to train their executives. Local government agencies and businesses have noticed Sberbank's programme and are investigating similar programmes for their employees. Netessine believes this bodes well for Russia's future. "Sberbank is ahead of this wave. I hope other companies will follow. We've had multiple enquiries from clients and other banks, trying to understand how they can do something similar for their companies."

A monumental transformation is taking place at Sberbank and Netessine says that is also part of the current mood in Russia. "They recognise that educating their top management is part of the change. "

*Serguei Netessine is the Sberbank 500 Programme Director and the Timken Chaired Professor of Global Technology and Innovation at INSEAD. He is also Research Director of the INSEAD-Wharton Alliance.*

[http://executive.education.insead.edu/advanced\\_management](http://executive.education.insead.edu/advanced_management)

Advanced Management Programme

[http://executive.education.insead.edu/strategic\\_banking](http://executive.education.insead.edu/strategic_banking)

Strategic Management in Banking

## Find article at

<https://knowledge.insead.edu/career/banking-russias-future>

---

## About the author(s)

**Grace Segran** is a writer and editor at INSEAD [View full profile](#)