

# Human capital report

“ We believe in harnessing the full potential of our people as a critical driver of our business success in delivering a superior client experience. Our purpose, vision and principles guide our efforts to create a supportive work environment. ”

Sharon Taylor / Head of human capital

We are committed to driving a culture where our people feel valued, have a clear sense of belonging, know what is expected of them and are recognised and rewarded for their contribution towards achieving our ambition – to place our clients at the centre of everything we do. Current and future trends, ranging from digitalisation to working with a multi-generational workforce, are influencing how we shape our broader people, leadership and engagement strategies.

The group (including Liberty) permanently employs 54 361 people. Our level of voluntary turnover in 2015 remained healthy and below the international financial services benchmark of 13.9% (Corporate Executive Board benchmark 2014).

During the year, 4 360 temporary employees in PBB were converted to permanent staff in line with our commercial requirements and changes to labour legislation, mainly in contact centres and branches as well as group shared services. We have a permanent part-time contract in place, which has provided us with more flexibility in allocating resources at busier times. This has also given these employees a better sense of belonging in the organisation and as such are more

engaged to provide excellent service to our customers.

## Meaningful work

We strive to make Standard Bank a place that our people are proud to work for.

How our people think and feel about work directly correlates with client satisfaction levels. We firmly believe that our people want more than just going about their daily work routine and receiving a salary – they have a deeper expectation of serving a higher purpose. Our leaders invest time and effort to ensure that all our people feel deeply connected with our purpose and our clients.

Insights obtained from surveys held in 2014 across 17 countries have been used to inform our strategy and our people priorities for the short to medium term. Going forward, we will focus on gathering and responding to insights shared, using innovative, real-time platforms, and using these insights to shape our culture on an ongoing basis.

## Caring and fair work practices

We aim to ensure that caring, supportive and fair work practices are applied, respecting the rights of our people.

We respect the individual and collective rights of our people in the workplace and adhere to local and international labour regulations and legislation. We actively engage with recognised trade unions on the continent and have developed an open and robust relationship with SASBO in South Africa, whom we view as a crucial stakeholder and partner in our long-term success and sustainability in our home territory. At December 2015, 59.3% (2014: 65%) of our general staff and 21.1% (2014: 9.3%) of our managers were members of SASBO in South Africa.

Our investment in health and wellness initiatives provides our employees with a wide array of services, empowering them to effectively manage any personal, workplace and health-related challenges they might encounter. Training on building personal resilience, managing change and financial fitness

is available to all employees. In addition, training is provided to managers in South Africa specifically to assist them in managing absenteeism due to illness. As of 2015, we have started using the cost of total sick leave as a percentage of total payroll as our key measure of absenteeism. For the reporting year, this equated to 1.27%, which is below the South African financial sector norm of 1.7%.

## Developing and managing talent

To deliver our strategy we need to ensure that we have enough of the right people, in the right roles, at the right time, with the required skills and capabilities.

We work in a fast-paced, highly competitive industry with ever-changing demands as we build a digital bank. Our people, therefore, must be equipped with the necessary skills to drive a client-focused approach now and into the future. We aim to do this by creating a culture of continuous professional development and adaptability.

The introduction of a single learning management system across our businesses and geographies in 2015 has provided all our people with online access to learning opportunities and enables them to fulfil their compliance training obligations.

We invested more than R865 million, 3% of total staff costs, in developing our people in 2015 and assisted 594 employees with bursaries to further their studies.

Our preference is to promote from within the group, which creates career opportunities for our people. Over half of the appointments made

in 2015 were internal transfers and promotions. Our internal careers website provides our people with access to information on potential career opportunities in the group, promoting both lateral and upward mobility.

Our talent management philosophy and approach enable succession planning across key levels of leadership, supported by focused development propositions and engagement strategies for identified talent. Greater effort is being made to drive succession planning across our various business lines and geographies. We have achieved good depth in our talent pools to strengthen succession pipelines for key management positions, as evidenced by the number of internal moves and promotions into key leadership positions across the group during the year.

We continue to focus on:

- Enhancing our development propositions so that future executive leaders gain critical experience and skills that will prepare them for future roles.
- Accelerating initiatives to enable the development of black talent in South Africa.
- Ensuring greater depth of talent in our businesses across the rest of Africa.

We invest in young people studying towards scarce or specialised skills and who have the potential to become future leaders. We assist with their tertiary studies through bursary programmes that focus on technology, engineering, mathematics and commerce disciplines. In 2015, we assisted 142 bursary recipients, investing R22 million to help young students to build better and brighter futures.

Our market-leading graduate development programme aims to identify and develop high-potential individuals. In 2015, we provided 230 talented graduates, across multiple disciplines with first-time work opportunities. In 2016, graduates from key markets including Botswana, Ghana, Kenya, Mozambique, Nigeria, South Africa and Zambia will participate in our programme.



Awarded the 2015 South African Graduate Employers Association (SAGEA) **Employer of Choice in the Young Talent Market** for the Retail and Commercial Banking category.

Targeted at black learners in line with our transformation strategy and objectives, our learnerships offer access to development opportunities for matriculants and graduates, and the possibility of full-time employment. In 2015, 400 learners completed a learnership programme with 92% subsequently being employed in South Africa. A further 567 young people were offered learnerships in 2015 to be concluded in 2016.

## Diversity and inclusion

The diversity of our people brings richness in perspective, skills and experience that we leverage as an advantage in serving an equally diverse client base.

In 2015, we continued with our workshops to educate our people on diversity and unconscious bias. Our transformation forums in South Africa support management in addressing potential barriers to equity and introducing specific initiatives to drive the creation of an inclusive

culture. Our newly introduced Lean-In initiative works with women to identify and address barriers to gender equity, while providing them with networking opportunities.

In South Africa, progress has been made in achieving our employment equity targets at senior, middle and junior management levels. Representation of black people, black women and Africans in top management remains a key focus area. Standard Bank is the first (and to date the only) Africa-based organisation to become a signatory to the International Labour Organisation's (ILO) Disability Charter, launched in 2015. Representation of persons with disabilities declined in 2015 to 0.83% (2014: 1.32%) of the workforce.

Information on our employment equity progress in South Africa is set out in the 2015 SBSA Annual Report.



Received the private sector award for **Innovation and Special Projects for**

**Gender Equality** from the Department of Labour and the Commission for Employment Equity in South Africa. We were also a top five finalist for the overall employment equity award for the private sector.

## Delivering value to our clients

Empowering our people with the right skills, tools, processes and technology to deliver on our commitment to place our clients at the centre of everything we do, is at the heart of our people strategy.

We are testing new ways of working that will empower our people to respond to clients' needs with agility and speed. This new work design structure will embrace digitalisation

and find the appropriate balance between providing exceptional customer experiences and meeting our risk and regulatory responsibilities.

A core element of our risk management strategy is the investment we make in our people to enable us to remain relevant to our clients and compliant with regulation in all of our markets. In 2015, we trained our people to ensure that our conduct as a bank and as individual employees is sound and that we mitigate our clients' exposure to risk.

## Performance and reward

We aim to further embed a high-performance culture where our people are motivated to deliver exceptional client experiences and are rewarded for their meaningful contribution towards realising our purpose and vision.

Our people are reviewed annually against their performance contracts which are linked to commercial objectives. The performance management process emphasises growth through constructive dialogue, focuses on 'what' is achieved, but importantly also 'how' it is achieved and addresses learning and career development needs. We have made good progress towards introducing a performance management system across all our businesses which will be concluded in 2016.

Our Beyond Excellence and Mark of Excellence initiatives ensure that individuals and teams are recognised for exceptional contributions that add value to the business.



Our remuneration philosophy is set out in the remuneration overview on **page 103** of this report and in more detail in the separate governance and remuneration report.



Our 2015 remuneration report won the South African Reward Association's **2015**

**Remuneration Report of the Year.**

## Bold and inspirational leadership

We recognise the need to capacitate leadership to deal with increased complexity, adapt quickly to a rapidly changing operating environment and lead, rather than manage, an increasingly diverse workforce.

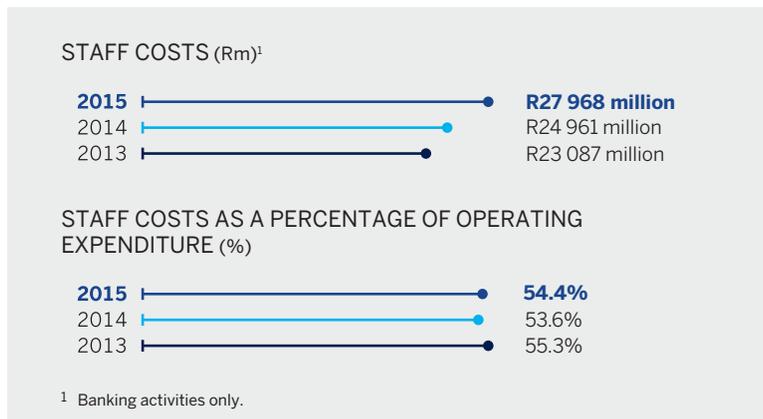
The execution of our strategy challenges our leaders to create meaning and direction, and to inspire and influence others. To this end, we invest in our top leaders, supporting their development in becoming true catalysts of change and serving as inspirational role models, moving the group towards its desired future.

Bespoke development initiatives aimed at our executive leaders support their personal development priorities and range from participating in world-class international business school programmes, international assignments and specific business initiatives that broaden exposure to different parts of the business, to customised leadership development programmes within specific business areas. Some 70% of leadership programme participants in South Africa were black people (2014: 67%).

To accelerate a supportive environment for bold and inspirational leadership, we will work to identify the competencies our leaders require to support our future strategic intent. This will inform how we reshape the leadership

development landscape, including a review of the Global Leadership Centre offerings, to shift the centre from being a training facility to playing a vital role as a vehicle for strategic change and dialogue.

We continue to focus on equipping team leaders and managers with the right skills to be great people managers. More than 2 982 (2014: 3 188) leaders from across the continent benefited from participating in a wide range of leadership development programmes.



## Serving our communities

We aim to make a meaningful difference in the lives of the communities we serve and remain socially relevant in support of our group's purpose.

A range of employee community involvement initiatives provide our people with opportunities to give back and actively participate in making a difference in the communities in which they work and live. Our employee matching initiative encourages employees to support non-profit organisations that benefit the broader community through monetary contributions. In 2015, approximately 140 organisations were supported in South Africa through the matching programme with Standard Bank matching employee contributions to the value of R1,5 million.

## Looking ahead

Our purpose and principles add a layer of richness to our strategy, driving a deeper connection between our people and the brand. They also underline the importance of the role every single employee has in enabling us to consistently deliver an excellent client experience.

Looking ahead, we aim to:

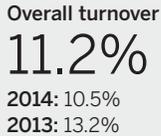
- Strengthen our culture and people practices in line with our group purpose, vision and values. We will introduce an employee NPS to track the purposeful engagement of our people, and continue our efforts to enhance the employee experience to ensure that our people feel deeply connected to our purpose in service of our clients.
- Revise our performance management and remuneration practices to support new ways of working that are focused on delivering to our clients.
- Continue to invest in the development of talented people to ensure that they are ready to take up more senior and critical roles when the time is right.
- Strengthen a diverse leadership base that is able to lead in times of uncertainty, inspiring others, and are passionate about helping our people reach their full potential.
- Enhance our speed and agility to adapt to an ever-changing world of work through a continued focus on learning and development.
- Review our policies and procedures to further drive and support our transformation agenda and to firmly entrench a culture of inclusion.
- Transition the majority of our businesses to a single global SAP template in 2016 which will enable our people to easily initiate and action human capital transactional activities relating to their daily work life. We will also introduce a people portal in 2016 that will serve as a single point of entry for human capital-related information, solutions and practices.

DIVERSE EMPLOYEE BASE

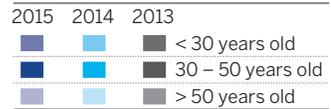
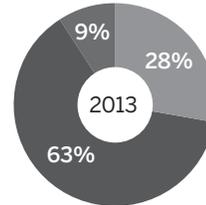
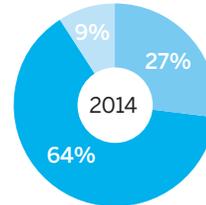
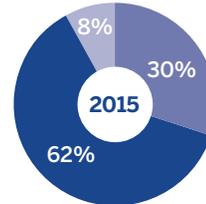
Our employee base



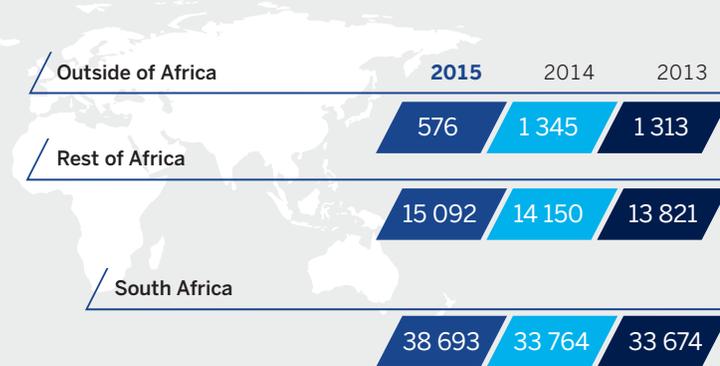
Employee turnover<sup>1</sup>



Age profile<sup>1</sup>



Geographical breakdown<sup>1</sup>



Length of service<sup>1</sup>



<sup>1</sup> Including Liberty and calculated for permanent employees only.  
<sup>2</sup> Including Liberty.

## TRAINING INVESTMENT

### Training

Training spend<sup>1</sup>



	2015	2014	2013
Number of employees trained <sup>2</sup>	<b>50 540</b>	41 756	33 574
Number of women employees trained <sup>2</sup>	<b>29 120</b>	23 770	19 919
Participants on leadership development programmes <sup>1</sup>	<b>2 982</b>	3 188	2 858

<sup>1</sup> Including Liberty.

<sup>2</sup> Banking entities only.

### Bursary spend<sup>1</sup>

Total bursary spend

	2015	2014	2013
Total bursary spend	<b>R10,7 million</b>	R12,2 million	R10,0 million

Total number of employees assisted

	2015	2014	2013
Total number of employees assisted	<b>594</b>	695	660

<sup>1</sup> Banking entities only.

## INVESTMENT IN YOUNG TALENT

### Graduate programme participants<sup>1</sup>

Total graduate development programme participants



	2015	2014	2013
Women as % of total graduate participants	<b>43%</b>	49%	42%
% black graduate participants (SBSA only)	<b>71%</b>	68%	80%

<sup>1</sup> Banking entities only.

### Learnership programmes (SBSA only)

Successfully completed learnerships



Number of learnerships started



\* 92% of whom were subsequently employed by Standard Bank.