

# HUMAN CAPITAL REPORT

“We have a compelling purpose, a clear vision and have set ourselves ambitious aspirations to realise on our strategic journey – this will only be made possible through the collective effort of one of our most valuable assets, our people. Placing the client at the heart of everything we do compels us to think about the environment we create for our people, and the culture they are a part of – we are convinced that if we get this right, superior value for our clients and financial outcomes for shareholders will be the natural result.”

**Sharon Taylor**  
Head of human capital



## OVERVIEW

### OUR HUMAN CAPITAL STRATEGY

Our human capital strategy aims to enhance the group’s sustainable competitive advantage by developing and retaining smart, independent thinkers who are focused, tenacious and energetic, and, above all, motivated to deliver exceptional client experiences. These attributes are needed to keep our business agile and innovative, given the fundamental shifts in our sector, and to differentiate us as an entirely client-focused organisation in an intensely competitive environment.

A number of factors such as our multi-generational workforce, the need to empower our people with the skills to succeed in a rapidly evolving increasingly digital work environment and the increased demand for personalisation, require constant reshaping of the employee experience.

The key human capital challenges we face are set out below, and the pages that follow discuss our priorities to address these challenges.

**Attracting and retaining deeply committed people with the right skills and capabilities.** Continued focus is required to ensure that the right capabilities and skills are in place to deliver value to our clients. Competition for highly specialised skills is increasing as a result of an environment that is constantly changing and new market entrants.

**Enabling our people to be agile and adaptive to remain relevant in a rapidly evolving environment.**

As digitisation in financial services matures, and new services and solutions are introduced to support a seamless omni-channel experience, the need for new skillsets will require that our employees embrace new ways of working and a willingness to explore opportunities to develop new skills that will ensure both their future employability and ‘employability’.

**Leveraging diversity and inclusion** by creating an inclusive environment. We aim to leverage the diversity of our employee base to stimulate innovation so that we deliver client-centric solutions. In South Africa, we are committed to accelerating our EE efforts to establish a workforce that more closely represents the demography of the country at every level. In the Africa Regions and International, our focus is to increase the representation of women at executive level. Our diversity and inclusion efforts are supported by our increasing investment in developing our employees.

**Harnessing the potential of a multi-generational, pan-African local workforce** to be the leading financial services organisation in, for and across Africa, requires that we work to strengthen local talent pipelines in all the countries in which we operate. Cross-border assignments, targeted development initiatives and access to a wide range of learning opportunities to build highly specialised skills and leadership capabilities are important drivers to sustain and further enhance our local market expertise.

**Creating an environment in which our people are engaged and enabled to take care of their well-being.** What our employees think and how they feel about working at Standard Bank directly impacts on our client satisfaction levels and strategy. We must constantly focus on how we can continue to improve the work environment and culture for our employees, offer meaningful work and career growth opportunities, as well as ensure a compelling employee value proposition that includes a range of benefits that are both relevant and attractive to employees in different life stages.

## OUR EMPLOYEE BASE

Number of banking employees



Permanent employees

48 322

(2016: 48 622) (2015: 48 954)

Non-permanent employees

5 725

(2016: 5 726) (2015: 8 135)

## GEOGRAPHIC BREAKDOWN OF EMPLOYEES<sup>1</sup>

South Africa

32 876

(2016: 33 332)  
(2015: 33 057)

Africa Regions

14 831

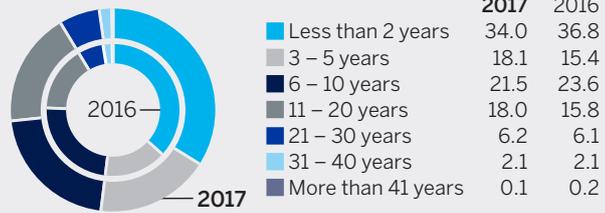
(2016: 14 693)  
(2015: 14 321)

International

615

(2016: 597)  
(2015: 576)

## TENURE BREAKDOWN (%)



## EMPLOYEE TURNOVER<sup>1</sup>

Overall turnover

8.8%

(2016: 9.1%)  
(2015: 9.9%)

Overall and voluntary turnover continued to show declining trends in 2017 and are well below the Gartner Corporate Executive Board's 2016 global financial services benchmark, which indicates 14.2% for overall turnover, 9.9% for voluntary turnover, and 6.2% for turnover at executive level.

Voluntary turnover

5.5%

(2016: 5.6%)  
(2015: 6.7%)



Voluntary regrettable turnover<sup>2</sup>

2.3%

(2016: 2.1%)  
(2015: 2.9%)



Voluntary turnover at executive level

4.3%

(2016: 5.6%)  
(2015: 7.7%)

<sup>1</sup> Calculated for permanent employees only and excludes Liberty.

<sup>2</sup> Employees that are considered high performers who have left the group. This is calculated as a percentage of average headcount.

# 1 Enhancing the employee experience

**OUR KEY PRIORITIES**

- Ensure that our employees are deeply connected with our purpose and place the client at the centre of everything they do.
- Listen to our employees, enabling them to share their insights in real time to help shape a conducive work environment.
- Encourage our employees to be passionate consumers and advocates of Standard Bank's products and services.

**CHALLENGES ADDRESSED**

- Attracting and retaining deeply committed people with the right skills and capabilities.
- Creating an environment in which our people are engaged and enabled to take care of their well-being.

## Achieved in 2017

- The employee brand, which aims to connect our people with our purpose, was further entrenched across the group.
- Rolled out an advanced employee insights platform which enables the rapid deployment of surveys in three languages, to gauge how our people think and feel about working for the group and to ask for their input when reshaping the human capital solutions that will directly impact them.
  - Conducted 11 surveys on the platform to inform fit-for-purpose human capital and engagement strategies.
  - Used a survey and a series of focus groups to ask a representative sample of employees across the group to provide input to help shape our new performance management approach.
  - Conducted two group-wide surveys, including the annual employee engagement survey and a Behaviours in Action survey.
- Completed the rollout of our exit interview approach across all operations, to ensure that the insights gained from employees leaving the group inform employee engagement and retention strategies.
- In partnership with PBB and Wealth, promoted the value proposition for employees as banking clients, gaining a deeper understanding of their experiences and needs through engagement and focus groups.
- Delivered a range of health and wellness initiatives to employees across the group, including wellness days, medical assessments and counselling services, and offered a range of training initiatives to build personal resilience and coping skills.

## Moving forward

- Deliver refreshed employee brand initiatives to sustain momentum.
- Utilise employee insights to inform fit-for-purpose human capital strategies and plans.
- Expand the use of the employee insights platform and the advanced text analytics it offers.
- Leverage the concept of employees as a client segment to enhance and learn from their banking experiences.
- Explore an advanced capability to model and predict employee behaviour to provide leaders with answers to critical business questions.
- Continue to provide a variety of health and wellness services to our employees to enrich their lives.

## HEALTH AND WELLNESS

1.1% <sup>SA</sup>

Cost of total sick leave as a percentage of total payroll in South Africa (2016: 1.2%)<sup>1</sup>. This is well below the local financial sector norm of 2.3%<sup>2</sup>.

<sup>1</sup> Calculated for permanent employees only.  
<sup>2</sup> Source: Alexander Forbes.

## EMPLOYEE ENGAGEMENT

Achieved an eNPS of +14<sup>1</sup>  
 (56% of permanent employees participated)

- In line with global best practice, a new survey methodology was introduced in 2017 to calculate eNPS for the group.
- eNPS provides an indication of how likely an employee would be to recommend Standard Bank as a good place to work.
- eNPS is calculated by subtracting the percentage of detractors from the percentage of promoters. This value can range from -100 (if every employee is a detractor) to +100 (if every employee is a promoter). Any score above zero is a positive result as this means there are more promoters than detractors.
- Our score compares well with benchmarks and serves as a baseline for further improvement to support our employee engagement value driver.
- An area for future focus is to better enable employees to grow and advance their careers – only 67% of respondents indicated that they have had adequate opportunities in this regard.

<sup>1</sup> Year-on-year comparison is not applicable given the change in methodology.

## 2

## Enabling a digital workforce

### OUR KEY PRIORITIES

- Provide access to advanced technology and tools that support the future world of work and fulfil the promises we make to our clients.
- Empower our employees and managers to conduct routine human capital transactional activities through self-service functionality.
- Standardise our human capital services and practices across the group to ensure consistent and fair employment practices that are aligned to regulatory requirements.
- Deliver reliable and consistent employee data and set the foundation for predictive capability.

### CHALLENGES ADDRESSED

- Attracting and retaining deeply committed people with the right skills and capabilities.
- Enabling our people to be agile and adaptive to remain relevant in a rapidly evolving environment.
- Creating an environment in which our people are engaged and enabled to take care of their well-being.

### Achieved in 2017

- Concluded a three-year journey to align and integrate multiple human capital processes, systems and technologies into three core global human capital technologies.
- Enabled 78 automated self-service functions for our employees, improving user experience and human capital efficiency.
- Group-wide implementation of our talent suite – an integrated people management system – has enabled the streamlining and integration of our people management practices, supporting agile responses to talent challenges and opportunities.
- Further enhanced the human capital portal in Namibia and South Africa, and implemented a human capital portal in Uganda, providing employees with a single point of entry to all employee-related information.
- Completed the rollout of an employee relations management system to support better disciplinary management, grievance resolution and the management of poor performance within local regulatory context.
- Integrated data across the human capital landscape has enabled the introduction of standardised online reporting tools to improve data visibility and decision-making for line managers and the human capital community.

### Moving forward

- Optimise integrated systems through increased usage and introduce advanced capabilities in line with business requirements.
- Further enhance automation of processes and introduce new manager and employee self-help functionalities.
- Accelerate digital innovation by experimenting with a range of solutions to determine those that meet the needs of our employees.
- Increase our use of predictive analytics and workforce planning as business enablers.

### FAST FACTS

Our global transactional human capital platform for payroll runs 19 country payrolls in 18 different currencies, managing over 100 000 automated workflow items each month.

Our talent suite solution provides a single view of consolidated data for every permanent employee, supporting improved decision-making on development, performance and talent and succession planning.



### FAST FACTS

The employee engagement survey provided rich insights on how employees think and feel about working for the group:

- 91% of respondents understand how they contribute to the broader group purpose.
- 87% of respondents are proud to be associated with the group.
- The majority of respondents have good relationships with their colleagues and immediate leader and there is a general sense of satisfaction with the work that they do and their access to development opportunities.
- 77% of respondents indicated that they have access to development opportunities.

### 3 Provide relevant and progressive learning opportunities to adapt to the evolving work context

- OUR KEY PRIORITIES**
- Encourage a culture of continuous development through access to 'relevant, anytime, anywhere' learning experiences.
  - Develop learning solutions that support the development of the organisation's future workforce skills and capability requirements.
  - Contribute to the future employability of our people by offering learning that is accredited and recognised within the group and outside the financial services sector.

- CHALLENGES ADDRESSED**
- Attracting and retaining deeply committed people with the right skills and capabilities.
  - Enabling our people to be agile and adaptive to remain relevant in a rapidly evolving environment.
  - Harnessing the potential of a multi-generational, pan-African local workforce.

#### Achieved in 2017

- Continued to provide our people with access to online learning platforms and digital libraries to ensure fit-for-purpose learning anytime, anywhere and on any device.
- Experimented with micro learning platforms to provide specific learning experiences that enable our frontline teams to deliver on our client promises and meet regulatory requirements.
- Simplified access to learning, linking learning to the personal development plans of individual employees as part of our performance management and skills development approach.
- Introduced a number of tailored offerings to fast-track mid-career development and accelerate local skills development across our geographies.
- Delivered business demand-driven specialised skills development and executive development programmes.
- Drove investment in skills development in South Africa in line with the new B-BBEE skills development targets.

#### Moving forward

- Continue offering specific learning experiences for frontline employees to strengthen client service.
- Ensure that our people know what learning resources are available and which skills will be invaluable in the future.
- Continue to optimise skills development investment to benefit employees at all levels and to support our approach to diversity and inclusion.

## INVESTING IN YOUNG TALENT

### Graduates

116 South African graduates (89% black and 46% women) and 23 graduates from eight countries in the Africa Regions (64% women) are participating in our graduate programmes. A new data science programme was introduced in 2017 with three South African graduates and nine graduates from the Africa Regions participating.

### FAST FACT

In 2017, we celebrated the 20th anniversary of our graduate development programmes which develops young talent for the future. To date, 1 591 graduates have benefited from these programmes.

### Learnerships and internships

808 matriculants and graduates in South Africa gained workplace experience through our learnership programmes. 83% of 771 learners that successfully completed a programme in 2017 were employed by the group.

141 unemployed graduates gained work experience through our internship programme.

### FAST FACT

Over the past ten years, over 5 000 learners in South Africa have participated in a learnership programme and 2 763 employment opportunities have been created.

### Bursaries and scholarships

Bursaries were provided to 320 students studying for degrees in the fields of mathematical and actuarial science, technology, engineering, commerce and medicine in Kenya and South Africa.

This includes seven students from Ghana, Nigeria, South Africa, Uganda and Zambia who received the Standard Bank Derek Cooper Scholarship in 2017.



## LEARNING COURSES

13 425

easily accessible, industry-leading e-learning, virtual and classroom training courses.

### TRAINING INVESTMENT<sup>1</sup>

	2017	2016	2015
Training spend (Rm)	925	890	828
Number of employees trained	46 214	46 488	42 529
Number of women trained	26 889	27 458	24 411
Bursaries (Rm)	22.7	14.1	10.7
Number of employees assisted	934	724	594

<sup>1</sup> Calculated for permanent employees only.

# 4

## Ensuring the appropriate growth and mobility of diverse talent across our business

### OUR KEY PRIORITIES

- Deliberate and accelerated development of a diverse talent pipeline.
- Deepen the local leadership pipelines across operations to lead and operate with a deep understanding of local markets and client needs.
- Provide opportunities for young people to grow and thrive, and to build a strong talent pipeline for the future.

### CHALLENGES ADDRESSED

- Attracting and retaining deeply committed people with the right skills and capabilities.
- Leveraging diversity and inclusion.
- Harnessing the potential of a multi-generational, pan-African local workforce.

### Achieved in 2017

- Promotions and external appointments at top management level have increased diversity in line with our commitment to transformation in South Africa and diversity more broadly.
  - Representation of black, and specifically African talent, in our leadership pipelines in South Africa is improving. Top and senior management transformation reviews for all business units and corporate functions ensure a focus on the identification and development of diverse talent pools.
  - In the Africa Regions, greater depth in succession bench strength is emerging with increased representation of local talent.
- Continued to deliver international assignments and secondments that expose executives and individuals with specialised skills to new markets, building the skills of local talent.
- Introduced an employee exchange programme between Standard Bank and ICBC exposing participants to diverse markets and enabling them to experience different cultures, and to enhance the commercial outcomes of our strategic cooperation agreement.
- 62% of appointments were internal transfers and promotions, supporting the career progression of employees at all levels.
- Continued to provide opportunities for young people; by way of bursaries for those studying towards degrees, and work experience and first-time employment through our graduate, learnership and internship programmes.

### Moving forward

- Continue to prioritise transformation at top and senior management levels.
- Focus on developing a local talent succession pipeline for chief executives in the Africa Regions, with a specific focus on female talent.
- Extend the employee exchange programme with ICBC to the Africa Regions.
- Continue to focus on the development of women to accelerate female representation in succession pipelines for senior roles.
- Deploy talent to different markets and business areas in line with our universal financial services aspirations.
- Ongoing talent engagement to support retention and development initiatives.
- Continue to focus on youth development and employment.



### PAN-AFRICAN LOCAL WORKFORCE

98.1% of our employees are citizens of the country in which they are employed.

### GENDER PROFILE

Women

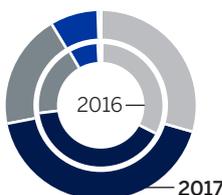


2017

57.8%

(2016: 57.9%)

### AGE PROFILE



	2017	2016
Younger than 20	0.1	0.4
21 – 30 years old	29.3	32.4
31 – 40 years old	42.5	40.4
41 – 50 years old	19.4	18.6
51 – 60 years old	8.0	7.7
Older than 61	0.5	0.6

### BLACK REPRESENTATION SA

%	2017	2016
Top management	34.1 <sup>1</sup>	22.2
Senior management	43.1	40.7
Middle management	69.5	68.0
Junior management	87.5	86.6

<sup>1</sup> The definition of top management changed in 2017.

## 5 Reward and celebrate outcomes and behaviours linked to superior client experience and commercial success

- OUR KEY PRIORITIES**
- Develop fit-for-purpose performance management which encourages a high-performance culture.
  - Develop reward practices that incentivise the right behaviours, place the best interests of the client first, and encourage collaboration by rewarding team and individual successes.
  - Introduce enhanced employee benefits to support a competitive employee value proposition.

- CHALLENGES ADDRESSED**
- Attracting and retaining deeply committed people with the right skills and capabilities.
  - Enabling our people to be agile and adaptive to remain relevant in a rapidly evolving environment.

## 6 Ensure bold and inspirational leadership to deliver on our purpose

- OUR KEY PRIORITIES**
- Clearly understand what leadership attributes and competencies are required in the future.
  - Develop our leaders to be accountable role models and catalysts for change.

- CHALLENGES ADDRESSED**
- Attracting and retaining deeply committed people with the right skills and capabilities.
  - Enabling our people to be agile and adaptive to remain relevant in a rapidly evolving environment.
  - Creating an environment in which our people are engaged and enabled to take care of their well-being.

### Achieved in 2017

- Introduced a new performance management philosophy and approach that drives regular line manager coaching to support personal improvement, growth and business contribution.
- Introduced a range of reward and recognition initiatives to support client centricity, retain top talent and ensure sustainable long-term performance.
- Introduced a range of enhanced and more flexible benefit solutions better suited to individual employee preferences in our South African operations.
- Simplified and improved transparency of rewards and benefits packages to enhance employee understanding around the value of their benefits.
- Recognised and celebrated exceptional team and individual contributions to the group through our Beyond Excellence and Mark of Excellence initiatives.

### Achieved in 2017

- Nurtured leaders capable of being catalysts for the change required to achieve our strategic objectives in an increasingly complex and rapidly changing environment.
- Interviewed and hosted workshops with top leadership to design a Standard Bank leadership identity for the future.
- Delivered 13 customised leadership development programmes with 757 leaders participating.
- Delivered a suite of leadership and management development programmes to employees across the group at our Global Leadership Centre.
- Targeted investment in customised leadership development programmes to accelerate the development of women at all levels with approximately 700 participants.
- Experimented with new technology-based ways of learning, including leadercast sessions and blended learning programmes that combine classroom and e-learning solutions.

### Moving forward

- Evolve our approach to performance management based on regular feedback from our leaders and employees.
- Introduce a range of learning solutions to better equip line managers as performance coaches.
- Implement more flexible benefits offerings for employees in the Africa Regions and International operations.
- Explore technology solutions that give employees a full view of their reward and benefits.

### Moving forward

- Deliver a leadership identity that clearly defines what great leadership needs to look like at Standard Bank.
- Design and deliver leadership development solutions that support the emerging leadership identity.
- Ongoing investment in bespoke leadership programmes for specific business areas and geographies.
- Equip managers from team leader to executive level with the skills to confidently and flexibly lead in a rapidly changing operating environment.

AIR  Detailed information on our reward philosophy and practices can be found in the remuneration report.



4 592

participants attended leadership and management development programmes at our Global Leadership Centre.

(2016: 4 307)  
(2015: 2 622)



81% of employees

that responded to the employee engagement survey indicated that they have a good working relationship with their immediate leader.

7

## The culture we wish to build for our people

### OUR KEY PRIORITIES

- Build a strong client-focused culture supported by clearly defined behaviours.
- Shape the ideal organisational structure and introduce new ways of working to empower our employees to serve the needs of our clients.
- Build a diverse workforce and create an inclusive work environment.

### CHALLENGES ADDRESSED

- Leveraging diversity and inclusion.
- Harnessing the potential of a multi-generational, pan-African local workforce.
- Creating an environment in which our people are engaged and enabled to take care of their well-being.

### Achieved in 2017

- Connected with employees from all business areas and geographies to confirm the group's cultural traits and identify three critical behaviours to further enable the group's focus on client centricity.
- Conducted a group-wide Behaviours in Action survey (43% of employees responded) to establish a baseline from which to measure our progress in shifting the identified three behaviours. Employees nominated colleagues to serve as change agents in enabling these cultural shifts.
- Rolled out pilot initiatives in three business areas to test how behavioural shifts can be enabled through specific behavioural mechanisms.
- Continued to focus on new ways of working, including empowering multi-disciplinary teams to deliver client value in various areas of the group.
- Work is underway to shape an organisation that better enables us to deliver our aspirations and key focus areas of client centricity, digitisation and a universal financial services organisation.
- Launched a range of diversity and inclusion initiatives in South Africa, including a critical conversation series about South African socioeconomic topics, a lesbian, gay, bisexual and transgender forum and engagement sessions with leadership to lead the EE agenda.
- In the Africa Regions and International operations, deliberate plans are being developed for each country to address specific local challenges in terms of gender equity.

### Moving forward

- Accelerate the application of the three critical behaviours to realise our aspirations through the collective efforts of all employees.
- Further experiment with new ways of working and measure the impact on client centricity.
- Ensure that our employees clearly understand their decision rights, roles and responsibilities.
- Structure the organisation to deliver on our key focus areas of client centricity, digitisation and universal financial services organisation.
- Continue to drive relevant diversity and inclusion priorities across our operations.