



Sharon Taylor, Head of human capital

“We are striving to create a great place to work where our people feel deeply connected with our purpose and our clients, are empowered and recognised for delivering against our strategic objectives, and are making the most of every opportunity to achieve their full potential.”

Human capital report

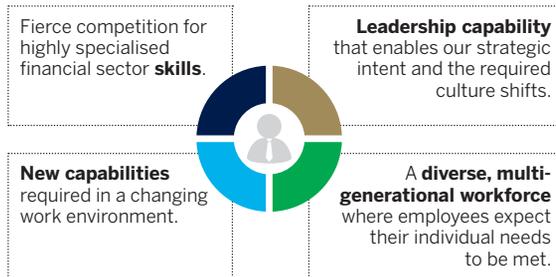
Our strategy clearly articulates the need to attract, develop and retain smart, independent thinkers who are focused, tenacious and energetic, who will keep our business agile and innovative, and who are motivated to deliver exceptional client experiences.

This section of our report sets out the progress we have made against our seven human capital priorities.



More information on our approach to human capital management can be found in the report to society.

Key strategic human capital challenges for the group based on our operating context:



OUR EMPLOYEE BASE

NUMBER OF EMPLOYEES



Permanent employees

48 622

(2015: 47 958¹)

(2014: 42 642¹)



Non-permanent employees

5 726

(2015: 8 135)

(2014: 12 595)

EMPLOYEE TURNOVER²

	2016	2015	2014
Overall turnover	9.1%	9.9% ¹	10.5%
Voluntary turnover	5.6%	6.7% ¹	7.4% ¹
Voluntary regrettable turnover	2.1%	2.9%	3.0%
Voluntary turnover at executive level	5.6%	7.7%	10.3%

Note: overall turnover in 2014 has remained as reported given that Liberty's turnover for 2014 was in line with that of the group's banking operations.

¹ Restated to exclude Liberty and now covers banking activities only.

² Calculated for permanent employees only.

1 Enhancing the employee experience

OUR KEY PRIORITIES

Ensure our employees are deeply connected with our purpose and place the client at the centre of everything they do.

Listen to our employees by enabling them to share their insights in real time.

Encourage our employees to be passionate consumers and advocates of Standard Bank's products and services.

CHALLENGES ADDRESSED



- Skills
- Leadership capability
- Diverse, multi-generational workforce

ACHIEVED IN 2016

- Launched a new employee brand across the group, encouraging each employee to recognise how their role contributes to driving Africa's growth and inspiring them to do more to enable the group to deliver on its strategy.
- Our leaders encouraged productive conversations across the group to convey our strategic intent.
- Conducted the Experience@Work survey in South Africa and Uganda to better understand what drives employee engagement.
- Introduced a refreshed exit interview methodology in South Africa to better understand why employees choose to leave the group.
- Delivered a range of health and wellness initiatives and services to employees across our geographies.

Looking forward we will:

- Continue to track employee feedback and insights in relation to our strategic priorities.
- Roll out the new exit interview system to all operations in 2017.
- Increase employee awareness around the banking products and benefits that are available to them and focus on enhancing the value proposition for employees as clients.

HIGHLIGHT

The employee promotor score is a key measure of the Experience@Work survey and serves as an overall indicator of engagement levels. It aggregates employee responses to three questions: "I would recommend Standard Bank as a good place to work"; "I am proud to be associated with Standard Bank" and "Standard Bank energises me to go the extra mile". The participation rates and engagement outcomes of both surveys are encouraging.

South Africa

Employee promotor score of **86%**. **55%** of the workforce participated.

Uganda

Employee promotor score of **89%**. **75%** of the workforce participated.

SA

HEALTH AND WELLNESS

1.2%¹

Cost of total sick leave as a percentage of total payroll in South Africa. This is below the local financial sector norm of 1.7%² (2015: 1.3%).

¹ Calculated for permanent employees only.

² Source: Alexander Forbes.

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 aligned to regulatory requirements.

Deliver reliable and consistent employee data and set the foundation for predictive capability.

CHALLENGES ADDRESSED



- Skills
- New capabilities
- Diverse, multi-generational workforce

ACHIEVED IN 2016

- Enabled the automation of our human capital transactional processes and the standardisation of our policies and processes across our operations.
- Enhanced the self-service experience for employees and line managers by providing single sign-on access to our performance management, learning and development, reward and recruitment system solutions.
- Introduced a new talent management technology solution across our operations, which supports an agile response to talent challenges and opportunities.
- Piloted a new human capital portal in Namibia and South Africa providing employees with easy access to consolidated employee-related information.
- Started rolling out a new employee relations management system that automates disciplinary management, grievance resolution and the management of poor performance.
- 350 employees from various business areas participated in design thinking workshops to inform the digital transformation required to provide excellent client services.
- Provided training for human capital practitioners, upskilling them to leverage employee-related data to analyse trends and proactively address potential human capital risks.

Looking forward we will:

- Drive adoption of automated processes in 2017.
- Complete the roll out and uptake of the new employee relations management system to all operations in 2017.
- Continue to activate the new human capital portal in additional countries in 2017.
- Introduce enhanced technology solutions to better enable our employees in their daily work.
- Build a diverse repository of data by integrating all sources of employee insights for the application of advanced analytics in the medium term.

HIGHLIGHTS

More than **35** globally-aligned processes have been automated through the self-service portal, significantly reducing manual, paper-based processing.

More than **51 000** banking employees have access to the self-service portal, facilitating easier activation and approval of human capital-related transactions.

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 skills and capability requirements.

Contribute to the future employability of our employees by offering market-ready learning that is accredited and recognised within Standard Bank and outside the financial services sector.

CHALLENGES ADDRESSED



- Skills
- New capabilities
- Diverse, multi-generational workforce

ACHIEVED IN 2016

- Implemented learning programmes on a range of client service and sales solutions, and to support key client management systems.
- Effectively used our global learning management system to provide employees with access to a range of online learning catalogues and programmes. This enables employees to build their careers and enhances our business performance and client service.
- Delivered demand-driven specialised skills development and executive development programmes.

Looking forward we will:

- Use the lessons learned from the new ways of working introduced in select business areas to inform our future learning methodologies, including on-the-job training.
- Continue to optimise skills development spend in South Africa to align with broad-based black economic empowerment skills development targets.
- Develop innovative learning solutions to upskill and reskill employees, enabling them to adapt to a new world of work.
- Link individual personal development plans to the learning management system, making it easier for employees to access relevant training.

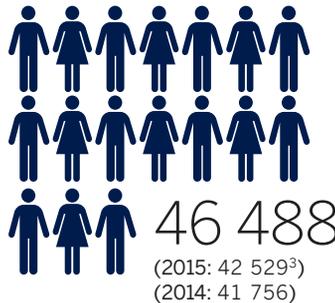
TRAINING INVESTMENT ¹

TRAINING SPEND

R890 million

(2015: R828² million)
(2014: R699² million)

NUMBER OF EMPLOYEES TRAINED



Number of women employees trained
27 458
(2015: 24 411³)
(2014: 23 770)



Participants on leadership development programmes
4 307
(2015: 2 622²)
(2014: 2 714²)

¹ Calculated for permanent employees only.

² Restated to exclude Liberty and now covers the group's banking operations only.

³ Restated to include 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 our operations to lead and operate with a deep understanding of local markets and client needs.

CHALLENGES ADDRESSED



- Skills
- New capabilities
- Leadership capability
- Diverse, multi-generational workforce

ACHIEVED IN 2016

- Achieved good talent pool depth. The accelerated development of black talent in South Africa and local talent in the Africa Regions is positively contributing to the diversity profile of our succession pool.
- 51% of appointments were internal transfers and promotions, supporting the career progression of our people.
- 207 graduates from seven countries participated in our pan-African graduate programmes, enabling us to build a strong, young talent pipeline.
- Assisted 1 516 learners in South Africa to gain workplace experience and the possibility of full-time employment.
- Invested R31.7 million in our bursary programmes, benefiting 864 students, including Standard Bank employees (2015: R32.3 million assisting 736 students).
- Reviewed our human capital policies to ensure that our diversity and inclusion requirements are clearly outlined and potential bias is mitigated.
- 83% of employees participating in the SBSA Experience@Work survey agreed that we are making progress in building an inclusive work culture that promotes diversity, although there is room for improvement.

Looking forward we will:

- Continue to identify and develop individuals with the potential to occupy critical strategic and operational roles in the medium to long term.
- Introduce a skills exchange programme with ICBC to augment international experience.
- Extend our diversity and inclusion work to ensure that this is a focus across all our operations.

HIGHLIGHT

Awarded the Employer of Choice in the Retail and Commercial Banking sector at the 2016 South African Graduate Employers Association awards.

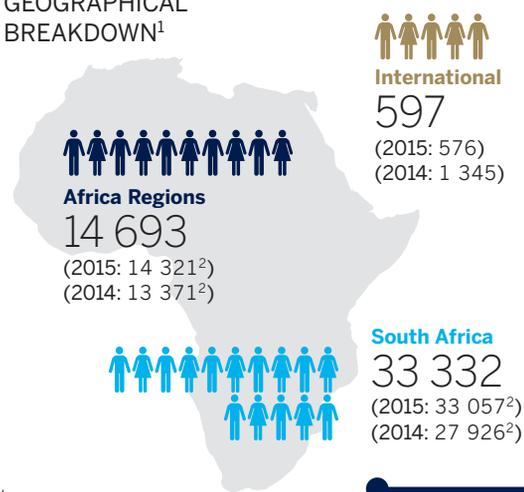
DIVERSITY

LOCAL HIRING¹



97.9%
of our employees are citizens of the country in which they are employed.

GEOGRAPHICAL BREAKDOWN¹



¹ Calculated for permanent employees only.

² Restated to exclude Liberty and now covers the group's banking operations only.

INVESTMENT IN YOUNG TALENT

BURSARY SUPPORT



Bursary spend on employees

R14.1 million

(2015: R10.7 million)
(2014: R12.2 million)



724

employees assisted

(2015: 594) (2014: 695)

Per capita spend on external bursaries are significantly larger as we fund students for all-inclusive costs whereas internal employee bursaries fund tuition and examination fees only.

GRADUATE PROGRAMMES

New intakes on graduate development programmes: 207

(2015: 163¹) (2014: 148)

Women as a % of total graduate intakes

46%

(2015: 43%)
(2014: 49%)



SA

% black graduate intakes

81%

(2015: 71%)
(2014: 68%)

¹ Restated to reflect new graduate intakes instead of total number of participants on graduate programmes.

8 students

from five African countries pursuing a post-graduate degree abroad, are receiving support from the Standard Bank Derek Cooper Scholarship programme.



SA LEARNERSHIP PROGRAMMES FOR MATRICULANTS AND GRADUATES

Successfully completed learnerships

660

(2015: 400)

% of learners subsequently employed by SBSA

72%

(2015: 92%)

SERVICE



Length of service² (%)

	2016	2015
<3 years	38	38
3 – 5 years	16	16
6 – 10 years	23	23
>10 years	23	23

DIVERSITY



Age profile² (%)

	2016	2015
<30 years old	30	30
30 – 50 years old	62	62
>50 years old	8	8

GENDER PROFILE²

% of employees that are women

57.9%

(2015: 57.7%)



% of management that are women

45.4%

(2015: 45.6%)

Women 28 128

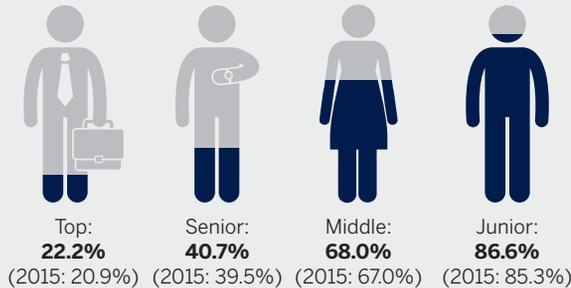
(2015: 27 680)

² Calculated for permanent employees only.

SA

DIVERSITY continued

BLACK REPRESENTATION AT MANAGEMENT LEVEL



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 fit-for-purpose reward practices which incentivise the right behaviours and a culture that puts the best interests of the client first, and encourages collaboration by rewarding team and individual successes.

CHALLENGES ADDRESSED



- Skills
- New capabilities
- Leadership capability
- Diverse, multi-generational workforce

ACHIEVED IN 2016

- Completed the roll out of the performance management system across all operations with the exception of the PBB branch network in Nigeria.
- Agreed retention strategies for key employee groups.
- Recognised individuals and teams for exceptional contributions that added value to the business through the Beyond Excellence and Mark of Excellence initiatives.
- Started reviewing our reward policies and practices to remain at the forefront of a highly competitive market.

 Detailed information on our reward philosophy and practices can be found in the remuneration report on [page 106](#).

Looking forward we will:

- Implement a new fit-for-purpose performance management approach in 2017, incorporating best-practice thinking and stakeholder feedback.
- Introduce flexible benefits options that better suit individual employee preferences.

6 Ensure bold and inspirational leadership to deliver on our purpose

OUR KEY PRIORITIES

Clearly understand what leadership behavioural attributes and competencies are required in the future.

Develop our leaders to be accountable role models and catalysts for change.

CHALLENGES ADDRESSED



- New capabilities
- Leadership capability
- Diverse, multi-generational workforce

ACHIEVED IN 2016

- Engaged with the top 350 leaders across the group to embed the group strategy.
- Started the process to define what good leadership means for the group in the context of our purpose, strategy and the culture we wish to build for our people.
- 4 307 employees participated in management and leadership programmes at our Global Leadership Centre.
- 872 leaders attended 12 customised leadership development programmes.

Looking forward we will:

- Define and assess the behavioural leadership aspects of our management teams in 2017.
- Deliver a groupwide flagship leadership development programme supplemented with coaching and personal development support in 2017.
- Continue to provide leadership development programmes tailored to specific business needs.

ACCOLADES

We pride ourselves in attracting and retaining world-class leaders. During the year, a number of our chief executives were awarded accolades by various global and local industry bodies.

Sola David-Borha, chief executive of Stanbic IBTC in Nigeria, won Business Woman of the Year West Africa, at the 2016 All Africa Business Leaders Awards.

Stanbic Bank Uganda chief executive, Patrick Mweheire, won the Ai 50 SRI CEO of the Year at the 9th annual African Investor Awards.

PBB South Africa chief executive, Funeka Montjane, was recognised as Business Woman of the Year in the Corporate Category at the 2016 Business Woman of the Year Awards.

7 The culture we wish to build for our people

OUR KEY PRIORITIES

Build a strong client-focused culture supported by clearly defined behaviours.

CHALLENGES ADDRESSED



- Leadership capability
- Diverse, multi-generational workforce

ACHIEVED IN 2016

- Rolled out new ways of working in specific parts of our business to empower our employees to be more responsive to clients' needs.
- Embarked on an extensive process to define a set of behaviours that will build on the strengths of our existing culture and enable the shifts required to enable our strategy.

Looking forward we will:

- Further test and enhance new ways of working in 2017.
- Introduce new values-based behaviours as part of the culture programme in 2017.
- Continue to work towards an ideal organisational structure that will better enable a client-focused universal banking model.