

Employee journey

As part of the implementation of the new Strategy for 2020, we have begun work to outline a new approach to human resource management based on forming a comfortable, understandable and personalised employee journey at the Group. It begins with the introduction to Sberbank, continues during hiring and subsequent advancement and promotion, and does not even end after the specialist's departure from the Bank.

We have learned on a practical level that the attitude of employees to their work at Sberbank and toward their employer impacts the quality of client experience. Therefore, effective interaction with staff and respect for each employee facilitates an improvement in the quality of client relations.

Employee journey

Stages and focuses

Acquaintance and interest

- Relations with educational institutions
- Positive employer branding
- Profile of a successful employee
- Individual value proposition

Recruitment and adaptation

- Reducing the time need to fill vacancies
- Referral recruitment
- Digital selection tools
- New employee adaptation programs and tools

Retention and separation

- Exit interview process
- Development of staff loss models
- Employment programs for outgoing employees
- Retaining the most unique and valuable people

Assessment and motivation

- Transparent assessment system
- Continuous feedback
- Competitive remuneration
- Expansion of corporate benefits

Training and development

- Maximum exposure of employees to training programs based on business tasks
- Development of digital training
- Ensuring the possibility for career growth

Acquaintance and interest

Acquaintance with Sberbank is an important step with ramifications for the effectiveness of the employee recruitment process. First, this stage helps potential candidates to learn about the possibilities and nature of work at Sberbank. Second, it helps the Bank to interest, and then hire employees that have the necessary qualifications and meet the necessary requirements.

In view of the above, we focus our attention on analyzing the employees we need to achieve the Bank's goals (in terms of numbers, structure, qualifications), and then work proactively with the selected target audiences.

Appreciating the ever-growing need for IT specialists, we endeavor to develop our brand as an attractive IT employer and to engage more people with work experience in innovative technological companies.

SberTech took first place at the Graduate Awards 2017 in the nomination "Best Student Program".

The main areas of activity that offer various specialists the opportunity to acquaint themselves with the Bank's activities are:

- relations with educational institutions;
- organization of internships;
- participation in international events and projects.

We pay special attention to recruiting young specialists, including to entry-level positions. They have their first chance to get acquainted with Sberbank during on-the-job training and internships, an opportunity that is offered to more than 12 thousand students annually. Under the skilled guidance of mentors, interns and student trainees work on real projects in the Group's business units.

We place special emphasis on preparing versatile specialists. We open specialized departments in higher educational institutions and support talented students with scholarships. The following master's programs were launched in 2017: "Finance and technology" at Russian Presidential Academy of National Economy and Public Administration (second enrollment) and "Financial technology and data analysis" at HSE. These programs encompass both theory and practical application in the areas of management, finance and IT, as well as in-depth studies in data analysis.

We held summer internships for students as part of our efforts to recruit technical specialists in 2017. Nearly 70% of the participants in the internships were subsequently hired. After this success, we introduced the SberSeasons program, which can be combined with a student's studies. We also held a series of lectures of top-management lectures in key higher education institutions in the spring and summer of 2017. More than three thousand students took part in the 16 events held during the series.

We participate actively in international student events to expand our recruitment perimeter for valuable human resources. For example, with Sberbank's support a leading European university for technological innovation, Harbour Space University, organized a boot camp for computer programmers in 2017. The boot camp was held from September 27 to October 5, 2017, in Barcelona, and became one of the largest international events for computer programmers.

To improve our personnel recruitment work, we designated the segments of key strategic goals of employees. As the employer, we developed a special value proposition for them, which includes a number of important provisions on staff incentives: a convenient work schedule, special training programs, and a clear career development path.

The Bank's subsidiary company Sberbank Technology implemented a project in 2017 to create its own technology center at the Technopark in the city of Innopolis. It was this project that managed to breathe life into a new city with almost no residents, to spark its growth and the development of the entire IT industry, to create a strategically important site for the Russian IT industry (the equivalent of Silicon Valley in the USA). Our efforts to attract valuable specialists for both the Bank and the industry as a whole were recognized with wins in two categories of the national HR Brand Award.

Recruitment and adaptation

We are improving the personnel recruitment process, striving to make it more convenient, quick and effective for both candidates and the Bank. We are currently working to optimize our selection and assessment tools for potential employees.

Recruitment of personnel is performed in two key employment segments: mainstream and specialized. Each segment has its own set of selection tools, aptitude tests, personal questionnaires, interviews, and professional case studies.

- Mainstream segment. In this segment we are trying to digitalize the process of selection and assessment of candidates, which will allow us to improve efficiency and reduce the time spent on selection of employees. Sberbank implemented a pilot project to computerize staff selection tools in 2017. Automatic resume search, automatic calling by robot, and a chatbot recruiter were used. A face-to-face meeting with a candidate was only held at the final selection stage. The pilot project, which was executed in 28 bank branches, was highly efficient and resulted in quality recruiting.
- Specialized segment. We use more personalized assessment tools when selecting specialists and managers, including cross-functional interviews that allow for more objective and collective decision making when choosing new team members. We are also developing additional channels for the search for personnel in this segment. In particular, we actively use referral recruiting, i.e. selecting personnel based on the recommendations of existing personnel, when searching for IT specialists.

The main indicator of the effectiveness of employee recruitment is the time needed to fill a vacancy. This indicator equaled 24 days based on the results for 2017: 7.5 days for the mainstream segment, and 33 days for the specialized segment. The Bank plans to continue work to accelerate the selection of candidates for vacancies as much as possible.

After completing recruitment procedures for new hires, Sberbank starts its adaptation efforts. The overall effectiveness of the adaptation process is monitored. We have also created a buddy system to help new hires, as well as a mobile app for new employees. An adaptation program was created for specialists and managers in 2017, and more than two thousand new hires around the country took part in it. Seminars and business breakfasts with top management are also held.

To speed up the onboarding process, we plan to reduce the number of documents that must be signed by employees. In parallel, Sberbank is cooperating proactively with the state authorities by making suggestions on the concept of electronic document management for human resources.

Training and development

Ongoing personnel training and development is an important factor in improving their productivity, and also influences their professional growth, satisfaction, and career advancement. This is why we pay close attention to consistent training and development of all target groups of personnel. When developing training programs, Sberbank takes modern business trends and requirements, the Strategy, and the new competency model into account.

In the Strategy for 2020 we have formed a new Sberbank competence model based on the skill set for the twenty-first century, bearing in mind the challenges facing the business, which corresponds to the Bank's lines of strategic development. The model includes the six key skills we expect from employees. All competencies correspond to three corporate values:



I AM A LEADER

systemic thinking
and problem solving,
self-development, and
innovativeness



WE ARE A TEAM

results-based
management and
accountability, team
building and cooperation



EVERYTHING FOR THE CLIENT

a client-centric approach

We conducted a communications campaign on the new competence model in 2017 and developed a guide on developing competencies. The training programs for managers and specialists were brought into line with the new competence model.

We foster a culture in which each employee is responsible for their development and career. The Bank in turn provides employees with ample training and development opportunities. According to the results of the survey of employee engagement in 2017, the Bank as an employer exceeds by 8 pp the expectations of employees in terms of the opportunities for professional development and training.

Sberbank generates training and development tools for both specialists and managers of the Bank. Specialists are trained through classroom and remote programs in regional training centers and at corporate headquarters. Management attends the Sberbank Corporate University and the Virtual School. From 2018, Sberbank specialists will have the opportunity to study the public materials, courses and lectures of speakers at the Virtual School of the Corporate University. We are improving the programs of the Corporate University by implementing innovative virtual reality, adaptive, social and microteaching technologies in the educational process.

More than 26 thousand managers underwent training at the Sberbank Corporate University in 2017, and more than 220 thousand specialists took courses at the training centers.

To improve the effectiveness of training in 2017, we prepared comprehensive educational programs covering several important areas of development of specialists at once. Various groups of employees received training under these programs:

- 5 thousand specialists of the UDCC¹ of the Retail Business unit;
- 2.5 thousand client managers from the Sberbank Premier channel and 500 client managers from the Retail Business unit of the Sberbank First channel;
- 3.5 thousand client managers from the Corporate Business unit of the Small and Microbusiness channel;
- 4 thousand employees of the cash-in-transit courier service.

In 2017, the project of an integrated vocational training system for the mass positions of the Retail Business unit received gold in the nomination "New Approaches" and silver in the "Federation" category of the prestigious national "HR-brand" award

We are developing and implementing additional training programs to keep up with the expansion of the role of IT technologies in the Bank's activity. For example, to improve the digital skills of managers and specialists the Academy of Technology and Data of the Corporate University began its work in 2017. The segment of the Academy containing various distance learning courses was launched in the Virtual School. More than 35 thousand employees have access to this segment. We continue to expand the Academy's portfolio of programs by bringing in industry experts and teachers from the leading Russian universities.

The coaching and mentoring system also helps to build a comprehensible and clear Employee Journey. These help to better determine the priorities and draw up individual development plans.

It is important that each employee understands the factors on which their advancement depends, and receives feedback on the results of their work. We hold regular "Sberbank: land of opportunity" career building training events. Every employee can see current vacancies on the internal corporate portal and from 2018 they will be seen in Success Factors system.

Employees have the opportunity for both career advancement and professional growth within the Bank. In 2017 there were 6,281 promotions to management positions, of which 6,175 were given to internal candidates and 106 to outside candidates. Internal transfers included 632 job rotations, under which 362 people were rotated to new offices and 270 people were transferred to new jobs.

A talent exchange based on the virtual school was created at Sberbank to support the internal upward mobility of highly talented employees, making it possible to consider talented employees for cross-functional and cross-territorial job rotation. In 2017 we also approved a new approach to work with the Sberbank Talent Pool, and work was organized to develop talent pool members.

An important event last year was the launch of the career counseling system: we formed a pool of counselors, who passed a training program, developed specially for Sberbank. In 2018 career counseling will be included in the development plans of talent pool members. The principles of building a career in Agile were also developed in 2017 and will be applied in 2018.

¹ Unified Distributed Contact Center.

Assessment and motivation

We believe that a transparent appraisal system of work results is an important aspect of personnel development. All employees are given a regular performance assessment. The assessment results affect the employee's career advancement and the variable portion of their salary (for detailed information on financial and non-financial incentives, see p. 144). That being said, when taking a decision to promote an employee, we try to factor in not only work performance, but also the correspondence of the employee's behavior with Sberbank's values.

No less important in relations with employees is the provision of regular feedback. Based on the employee engagement survey in 2017 half of the employees receive beneficial feedback from their superiors at least once a week. Managers go before personnel commissions once a year, and top management discusses their personal results as part of performance dialogs with the President, usually based on the results for each quarter.

Performance assessment

The performance of various categories of employees are assessed based on special criteria:

- the assessment of managers includes two parameters: attainment of established KPIs (key performance indicators for day-to-day and project activity) and PPM (priority projects of a manager);
- the performance of specialists is judged based on an assessment of completed tasks by their immediate supervisor;
- front office employees receive a performance assessment based on attainment of sales targets, the level of client satisfaction and other indicators.

All goals are established based on Sberbank's strategic priorities and business plan, and cascade down from the members of the Executive Board to managers and specialists. We continue to implement computer systems to increase the objectivity of planning and the transparency of assessment of quantitative work results.

We use a "5+" employee performance assessment system, which includes two indicators: individual performance and adherence to corporate values. Employees receive two scores pursuant to a letter grading system from A ("significantly exceeds expectations") to E ("unsatisfactory"). In 2017 this assessment system was improved: the timeframe of quarterly assessment was reduced to one month after the end of the quarter; and the calculation of bonuses based on the submitted assessment was computerized. Control over the provision of feedback and the objectivity of manager assessments will be strengthened in 2018.

Retention and separation

Sberbank performs separate work to analyze the factors and reasons behind the departure of employees. The results are used to improve relations with employees and boost the appeal of Sberbank as an employer. The process of holding an exit interview was instituted in 2017 for a more systematic analysis of the reasons for the departure of employees. We are grateful to our former employees for their work and take their feedback into account.

We designed and implemented in operating activity turnover models for Sales Managers and Consultants in the Retail Business unit. Among other things, the turnover models help us to project future staff turnover (who might leave and when) and, therefore, to forecast the future need for new employees. The turnover models for other professions are under development and in line for pilot testing.

The most valuable and rarest employees are given special offers to enable us to retain them in the Group. Beside these, forecast turnover, proactive elimination of the reasons for turnover, and long-term incentives are used.

We place special emphasis on the procedure for the “separation” with an employee, when the journey with Sberbank comes to an end for one reason or another. We try to retain good relations with all employees with whom we must part. The Bank carries out a special program called “Outplacement”, under which actively assists with the continued development and subsequent employment of employees. The following are used in this program:

- a vacancy exchange platform (an offer of all vacancies at Sberbank);
- a psychological support hotline;
- retraining of downsized employees (internship in divisions);
- career counseling;
- retention of social benefits (voluntary health insurance, corporate pension plan);
- financial assistance in case of relocation to other regions.

During the reorganization of two regional banks in 2017, we helped 1.8 thousand employees find new employment.

We also assist employees to draft resumes and to find employment in partnering companies. Our short-term plans include the development of a system for finding employment for downsized employees. To do so, we will expand our cooperation with partnering companies, and provide employees with the opportunity to use a psychological support service. Educational courses will be established on drafting resumes, the search for vacancies, and ensuring successful interviews.