

# People Management

At SA Eagle we realise that the role of People Management is a strategic necessity and therefore have to align our People Management policies and practices with the overall business strategy. Below are some of the strategies we embarked on over the past year.

## Organisational Development

### Diversity

During 2006 we identified the need for an intervention aimed at diversity. We requested submissions from potential suppliers, reviewed the proposals and have identified and contracted with a selected supplier. This project will supplement initiatives being implemented under the transformation programmes.



Live up to your  
potential instead of imitating  
someone else's.

We have agreed on the project plan and work on the assessment tool has almost been finalised. Employee workshops are due to commence in May 2007.

At SA Eagle we continually strive to ensure that our employee profile is reflective of the South African environment and that all employees embrace the advantages of diversity.

### Employment Equity

Our strategy aimed at striking a balance between developing internal resources and supplementing limited skills by recruiting from the market is starting to produce good results. The overall representation of people from the designated Group at the end of the reporting period was 83.6%, which portrays quite a positive picture. Our emphasis in 2007 and 2008 will be on programmes aimed at improving the demographic representation at all managerial levels.

### Global Associate Programme

The Global Associate Programme (GAP) was launched in September 2006. Talented graduates from

around the globe joined to form a pool of 60 associates committed to the development of technical expertise and leadership within the Group.

South Africa was identified as the host country for the International Businesses (IB) programme and the IB Programme Manager was recruited from within SA Eagle.

GAP requires international mobility from its Associates and is a long-term commitment to developing global talent. This innovative and proactive initiative supports the Group's strategic imperative and serves as a living example of Zurich's commitment to engaging and valuing diversity.

### Learnerships

The first cycle of the Learnership Programme was launched in 2004 with 10 learners participating in the programme. The second comprised 11 learners and the third and last cycle, according to the Financial Sector Charter (FSC) obligations, has seen the Company recruit 23 learners. Of the recruits, 11 are based in Johannesburg; five in Durban; five in Cape Town and two are based in Bloemfontein. This time round, the programme has been divided

into two categories – Sales and Central Processing Units. The qualifications to be gained by candidates include the National Certificate in Financial Services (NQF Level 3); and the National Certificate in Risk Management (NQF Level 4).

Since inception, the Company has gainfully employed nine learners and, once the last Group completes the programme in 2008, we hope to increase this number even further.

### Talent Management

During the period under review we actively participated in Zurich's Global Talent Identification Programme where high potential management and staff were nominated to the Group's talent pool. Twelve of our nominated candidates made it to the final global talent pool and will be assessed during 2007 to identify their developmental needs and thereafter, relevant developmental programmes. Two of our senior employees have been granted short-term assignments with our sister companies in China and Japan.

As part of our local succession planning programme, 30 managers were assessed during the last quarter of the year for the local talent pool. Competency gaps were



identified and Individual Development Plans were agreed. During 2007, these developmental interventions will be addressed.

We also identified high potential individuals from the designated groups for fast tracking into our talent pool. Line managers, with support from People Management, identified 25 staff members who will undergo similar assessments to establish their leadership potential at the different managerial levels.

## Employee Wellbeing Programme (EWP)

The Employee Wellbeing Programme has been in existence since April 2001 and aims to:

- Demonstrate that we value our employees and their well-being;
- Increase productivity, heighten morale and strengthen the relationships between management and employees; and
- Provide our employees with a practical alternative and professional support to address their personal problems.

HIV/Aids Education and Awareness, under the auspices of the EWP, remained at the core of our activities in 2006. Our second, and very successful, voluntary counselling and testing campaign was well supported by employees at all levels in the organisation. We can positively conclude that there has been a substantial improvement in the level of awareness of HIV/Aids. Support for employees either affected or infected is available through our Employee Wellbeing Programme. Treatment for HIV is provided via a disease management programme managed by medical professionals experienced in HIV treatment. The programme also benefits from the expertise of leading HIV specialists.

## Performance Management

In order to function optimally in a global performance driven culture, the Company identified the necessity and urgency to streamline its Performance Management system to enable the business to achieve its strategic objectives.

Over the past year Performance Management training was rolled out nationally and focused on reiterating the principles of planning, managing and reviewing performance. The main objectives were to:

- Empower employees with the tools to manage their own performance and careers; and
- Ensure managers confidently differentiate between exceptional and poor performers, with emphasis on corrective action.

Going forward SA Eagle employees will participate in Zurich's Global Performance Management System that will be rolled out during 2007.

## Remuneration strategy

SA Eagle, as one of the stalwarts of the insurance industry, abounds in tradition and the way we manage aspects of employee remuneration and benefits are evident of those traditions.

Although we currently offer the salary plus benefits remuneration option, the requirement to allow the new generation of employee the opportunity to manage their lifestyles and their own needs, is extremely important. Just as we customise a basic insurance

product to suite an individual's requirements, we have to extend the same courtesy to our staff in the way we remunerate them. We are doing that by looking at employee flexible cost of employment scenarios.

Thus far, we have received approval from the Board to explore the option of cost of employment. Implementation will take a phased approach, which would be integrated over a three-year period. The intention is to extend the offer to all new employees with effect from the second quarter of 2007.

Existing employees will benefit during the first phase. Our current Defined Benefit Retirement Fund will be converted to a Defined Contribution Benefit Fund for those who wish to take advantage of this offering. This component, which commenced towards the end of 2006, was dependant on the approval of the Surplus Apportionment Scheme. With this behind us it is full steam ahead with the conversion. We will complete offers and communication towards the end of April 2007 and employees who opt for the change will do so with effect from 1 May 2007.

## Surplus Apportionment Scheme

In terms of legislation promulgated in December 2001 all retirement funds were required to distribute accumulated surpluses to all stakeholders who had previously been denied access to this benefit. These stakeholders comprise, former members, pensioners, employees and the employer.

## Member Communication

Various communications have been sent to all stakeholders. Important letters advising what information was on record and what additional information was required, were distributed and, based on the responses received, a "final" list of eligible former employees was established.

## Submission to the Financial Services Board

After endurance and commitment from the team involved, SA Eagle's Pension Fund Actuary submitted the Surplus Apportionment Scheme, with only five formal objections, to the Financial Services Board for approval.

## Approval

The scheme was approved and we hope to commence the distribution in April 2007.